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The Nation's Business

Coolidge on St. Lawrence Seaway
Democrats and Tariff Against Canada
Re-organize D. S. C. R.
Helping Canadians Home Farm and Factory

THE only feature of President Coolidge's annual message which is of direct interest to Canadians is his reference to the proposed St. Lawrence canal and the maintenance of lake levels. It is of some significance that he treats these as related problems—a method of consideration which the more enthusiastic promoters of the shipway have striven to avoid. The paragraph on this subject reads:

"Congress in its last session authorized the general improvements necessary to provide the Mississippi waterway system with better transportation. Stabilization of the levels of the Great Lakes and their opening to the sea by an effective shipway remain to be considered. Since the last session, the board of engineers of the war department has made a report on the proposal for a canal through the state of New York, and the Joint Board of Engineers, representing Canada and the United States, has finished a report on the St. Lawrence River.

Both of these boards conclude that the St. Lawrence project is cheaper, affords a more expeditious method of placing western products in European markets, and will cost less to operate. The State Department has requested the Canadian government to negotiate treaties necessary to provide for this improvement. It will also be necessary to secure an agreement with Canada to put in works necessary to prevent fluctuation in the levels of the Great Lakes."

* * *

IT IS well known that Mr. Coolidge has committed himself to the St. Lawrence canal in several previous messages. Some Americans opposed to the project have felt that they could see in the successive statements a growing doubt as to its practicability. At least, this presentation of the matter recognizes that lake diversion into the Mississippi, enlargement of the lakes' outlet through the St. Lawrence and maintenance of lake levels are problems that cannot well be separated and that Canada's agreement to any plans for their solution must be sought.

It is obvious that, so far as improvement of the Mississippi includes a navigable channel between that stream and Lake Michigan, it must involve a greater outflow from the lakes. The president evidently thinks that the enlargement of the St. Lawrence outlet would have a similar effect, but accepts the idea that lake levels can be maintained against both these diversions by a system of dams in the channels connecting the lakes.

* * *

THE tariff system of the United States, which always affects Canada, is discussed by President Coolidge chiefly for its bearing on agriculture. There have been indications of a purpose among Democrats to make another campaign for tariff revision, appealing chiefly to Western farmers. Mr. Coolidge says that everything which the farmer uses in farming is now on the free list and everything that he sells is protected. As it is the agricultural protection that tends to operate particularly against Canada, this marked disposition to maintain it cannot be very encouraging to Canadians. Nor could they draw much stronger hope from a possible opposition victory next year, if it should be won on pledges given to attract the Western farm vote.

* * *

FOR some time The Financial Post has been pleading for a drastic reorganization of the Department of Soldiers' Civil Re-establishment. The department has been over-manned, it has been operated with excessive overhead expense due to duplication of offices and effort, and there has even been some evidence of graft and corruption.

The cabinet is apparently taking cognizance of the situation for the department is in the throes of reorganization. Certain officials have been suspended or dismissed entirely.

There is some danger that the reorganization may be purely political; that it may even end without a reduction in expenses that the only result will be to fire the Conservatives and put in loyal Liberals. Year by the year this department's work and expenses should dwindle. The country demands this just as it demands honest administration of the department. It is a time for the cabinet to be fearless in its pruning of the D. S. C. R.

* * *

W. S. FALLIS, president of the Canadian Manufacturers' Association, says there are about three and a half million Canadians in the United States. He points out that it costs $2,000 to raise a boy or a girl to sixteen. Capitalized, this means that Canada has invested $7,000,000,000 in the United States and that it is drawing no direct dividends from this investment. Some of this migration is unavoidable, but, given the right conditions, three million of these should have remained in Canada. We should have here at least twelve million prosperous people to-day. Good Canadians

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Despite Competition Output is Increased by Montreal Cottons

Foreign Manufacturers, Benefitting by Depressed Currency, Hit Hard Various Sections of Industry — Demands for Artificial Silk and Cotton Dress Goods Exceed Expectations

From Our Own Correspondent

MONTREAL. — Montreal Cottons has experienced a keen demand for products during the past year. To meet this demand the mills have been tuned up to intensive production and the output will be therefore materially in excess of last year. The development of the artificial silk and cotton dress goods, shirtings, and draperies trade, has exceeded expectations. This indicates beyond a doubt that these fabrics have proved entirely satisfactory to the consumer. Further expansion of this particular branch of the company's output is anticipated.

Notwithstanding the larger production, Montreal Cottons, in common with the other Canadian textile companies, has experienced keen competition during the past year, and in many lines it has been found practically impossible to meet the prices of foreign manufacturers competing for the Canadian trade. Thus in upholstering materials, the Belgian and French manufacturers benefiting by their depressed currency, and low labor costs, have practically forced the Canadian manufacturer out of these lines.

English and United States manufacturers have also made great inroads on the Canadian trade so that the domestic producers have been obliged to reduce their prices to the very minimum in order to maintain their hold on a trade it has taken years to develop.

Montreal Cottons at one time had established a promising export trade with Australia. Owing to prevailing conditions in that country, the export trade has been gradually dwindling until this year it has fallen off altogether.

Montreal Cottons enjoys the distinction of being the largest single unit amongst the cotton mills of the Dominion. Its fine modern plant at Valleyfield, Quebec, employs some 2,500 workmen. The mills contain 200,000 spindles and 5,000 looms, with a daily capacity of 275,000 yards, and a weekly production of 160,000 pounds. The company has, for many years, been engaged in the spinning, weaving, dyeing, bleaching and finishing cotton textiles, and of late years, has entered into the production of rayon silk fabrics. This line of goods has met with popular favor, and the company is meeting the demand by increasing its production of rayon weaves.

Montreal Cottons takes an active interest in the welfare of its employees and maintains a model dairy farm of some 400 acres, on which a herd of 380 cows is kept. Milk from this herd as well as other dairy products, is supplied the employees at cost. The company has also erected about 200 excellent houses and has thus made it possible for its employees to obtain superior living accommodation at moderate rentals.

It requires 13,000 h.p. to operate the mill. The company generates all its own power, making use of the fast flowing waters of Lake St. Francis as they approach the Soulanges Rapids. Montreal Cottons is almost as old as the Dominion itself, the first mill having been established in 1874. In those days, the old type of water wheel was used to provide power for the mill, but this equipment has been modernized from time to time, so that to-day the latest type of turbine is used to provide the motive power for the electric generators, which supply the current for the mill.

Buffalo is Perturbed at Waning Grain Export Arriving from Canada

Special Commission Recommends Program of Harbor Work

WELLAND IS FACTOR

Canadian Canal Affects Buffalo Business — Measures to be Taken to Meet Situation

By M. M. WILNER
Special to The Financial Post

BUFFALO. — Some three months ago the City Council of Buffalo appointed a citizens' committee to make a survey of the transportation facilities of the port and recommend needed improvements. The committee has made a report, outlining an extensive program of harbor improvement with a view to maintaining and expanding the city's share of the lake trade. A conspicuous feature of the report relates to the effect of Canadian improvements in creating closer competition with transportation routes in the United States.

Statistics showing how the movement of Canadian grain is diminishing are given in the report for fiscal years. The first column shows the total exports of Canadian grown grain and the second the percentage exported through United States ports:

Fiscal year	Production Exported	U.S. Movement (% of total)
1922-23	198,916,079	65.2
1923-24	214,060,314	66.3
1924-25	119,794,384	62.5
1925-26	212,128,279	57.7

It is pointed out that Canada has the better all water route, and also the shortest all rail route to tidewater, with three trunk lines ready to handle such business.

The enlargement of the Welland canal is recognized as of first importance. On this subject the report says:

"It is expected that the Welland ship canal will be opened to traffic in 1930 and will permit the passage from Lake Erie to Lake Ontario of the largest vessels now operating on the Great Lakes, with adequate allowance for future increase of size of such vessels. A port on the American or the Canadian shore of Lake Ontario, at say, Oswego for the American port, and Kingston or Prescott as the Canadian port will, therefore, extend by some two hundred miles the distance in which bulk freight can be carried from the upper lake ports to its destination at the lower lakes without transfer. With the opening of the Welland canal, therefore, Buffalo, for the first time in its history, will not be at the foot of navigation—whatever that fact may imply. That Buffalo's competitors are keenly alive to the situation is evident.

Canadian Port

"The Dominion government has already laid plans for the creation of a Canadian port on Lake Ontario which

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Four Woollen Mills Mentioned in Merger

From Our Own Correspondent

MONTREAL. — There is a very persistent rumor that four woollen textile companies are to be merged and that the negotiations leading to bringing together Paton, Canadian Woollens, Forbes and Barrymore are now underway.

Interests close to Canadian Woollens believe that there is little chance of the consummation of such a merger, but despite various denials, the gossip regarding such a consolidation still persists. There seems to be no doubt that at least negotiations leading to what appears to be such a desirable end have taken place. It will probably require many months to work out the details of a merger involving so many different interests.

BUFFALO BANKS ENTER HARDWARE MERGER PICTURE

Likely to Take Over Financing of Proposed Chain

Buffalo investment houses are likely to take over the financing of the Ontario hardware merger which has been in process of formation for some time. This merger, under the name of Cochrane-Dunlop Hardware Company was practically completed and in fact, about two-thirds of the first mortgage bond issue, amounting to $2,500,000, had been sold to the public. At the last minute a hitch developed in regard to the title of one of the stores; before this has been cleaned up a couple of the options expired and the whole merger, which was believed to be complete, was thrown back into the negotiation stage. Subsequent developments have delayed a second consummation of the matter. With the entry into the picture of a strong syndicate of American bankers there is a strong possibility that the resumed negotiations will again be successfully concluded although the stores in the fusion are said to be holding off their new decision.

Those who have bought the bonds are fully protected in any event. Their funds have been deposited with a trust company which has issued them interim receipts and, if the merger does not go through and the bonds therefore are not issued, the money paid in will be returned by the trust company in full and the promoters will pay all organization expenses.

New York Thinks Well of International Petroleum

By J. G. JOHNSTON,
Staff Representative The Financial Post

NEW YORK.—International Petroleum is considered a promising stock in well-informed circles in New York. Although oil stocks are not all favored International Pete. is viewed as an exception. One authority tells me that the stock will reward all its holders who are fairly patient.

International Petroleum is getting fifty-five thousand barrels daily from Colombia at little greater cost than it obtained thirty thousand barrels last year. The company sells the bulk of its product in Canada where prices are higher than in the U. S. What is not sold in Canada goes into super-refined products of Standard of New Jersey. The prices of these bottled products have not been affected by the softness in the crude oil market.

It is admitted that International Pete. operates at a profit. It may be a handsome profit.

Spanish-Abitibi Merger is Perturbing Holders of Preferred Shares

Many Consider They Should be Included in Offer to Common

IS ATTRACTIVE DEAL

Sun Life Can be Relied on to See That Fair Offer of Exchange of Shares is Made

From Our Own Correspondent

MONTREAL.—There are apparently many preferred shareholders of the Spanish River Pulp and Paper Mills who feel that in the Spanish-Abitibi merger an offer should have been made to Spanish preferred coincident with the offer to the Spanish common. Many letters from Spanish preferred shareholders have come to The Financial Post expressing some dissatisfaction that the complete scheme of merging these companies has not yet been announced.

Shareholders' Views

One letter of this type expressing the views of some of the other preferred shareholders says in part:

"The Abitibi-Spanish merger does not include the Spanish River preferred; and the directors of the company have failed to offer any reason why an offer was not made to the preferred as well as to the common shareholders. I think the president of the Sun Life's criticism was much more apt than the remarks contained in your issue of last week. No merger of these companies is complete unless the preferred of Spanish River be included, and it seems that the idea back of the merger was to increase the market value of the common shares of both companies."

"The preferred shareholders of Spanish River are now in a most unsatisfactory position, for they will be practically forced to accept whatever offer the management of the new Abitibi Company cares to make to them. The Financial Post should be in the forefront of those supporting Mr. Macaulay's stand, for he is acting in the best interests of the preferred shareholders of the Spanish River Pulp and Paper Mills."

As the preferred shares of Spanish River are selling at what appears to be a very fair price, and at a price near their peak for all time, it is obvious that while there are some shareholders who are dissatisfied with the merger, yet the vast majority of those holding Spanish preferred are satisfied with the outcome of the negotiations leading up to the merger.

Little Biased

The attitude of a few of the Spanish preferred shareholders appears to be a little biased. The Spanish common stock holders have every right to dispose of or to sell their shares if they desire to do so. Abitibi has every right to make them an offer for their stock. This is exactly what has taken place.

If any Spanish River preferred stockholder is frightened that he will not come out satisfactorily in the transaction, he can comfort himself with the thought that the preferred shareholders have perhaps the most influential champion in Canada to look after their interests. The Sun Life will most certainly see to it that a fair offer of an exchange of shares is made. The Sun Life holds a large block of the shares. Thus any thought in the minds of investors in the stock that the new Abitibi Company will squeeze the Spanish preferred is entirely out of the question without taking into any consideration the reputable character of the Abitibi management.

No blame for the deal attaches itself

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Eddy Match Plant Only Unit Sold Yet

From Our Own Correspondent

MONTREAL.—The Financial Post understands that the E. B. Eddy Company has sold only the match manufacturing end of its business to the International Match Corporation. Recently it was reported that the whole property had been sold to this company which practically controls the manufacture of matches throughout the world.

Following the sale of the match manufacturing section of the company's activities, it was again reported that the paper making end of the business had been sold to the International Paper Company, but those close to International Paper say that the large paper producer has not purchased the plants.

SUPERTEST "PETE" WILL SHOW PROFIT OF $5.50 A SHARE

Good Increase is Anticipated for 1928 as Well

Supertest Petroleum Corporation will shortly issue its annual report for the year to November 1. Very striking results have been recorded and it is anticipated that the financial statement will prove pleasant reading to the shareholders. Earnings are estimated at $5.50 a share after depreciation and payment of dividends on the two classes of preferred shares. Circulation of this forecast was responsible for a jump in the price of the stock to $52 a share at the end of last week. Shares were selling around $18 in the summer, advancing to $25 in September and opening at $33 when the stock was listed in October.

The company has had the benefit of the new capital raised last spring for only about half of its fiscal year just closed. A steady program of expansion is being carried out, new service stations being built in Western Ontario, Ottawa, Montreal and other centres where the company operates. Insiders are predicting earnings of $10 a share on the common stock in 1928.

Preferred Gives High Yield

Preferred shares of Supertest Petroleum, selling at 93-94 and paying 7 per cent. dividends, have not shared in the advance that has characterized the common stock. The yield on this stock is high, especially when it is considered that dividends were earned five times in the year just recently closed. Sinking fund on these shares, providing for their redemption at $110 or by purchase, commences to operate shortly and will have the effect of reducing the floating supply in the market.

Record of Supertest "Pete" since its formation has been one of steady growth. In 1923, there were three

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Several Investment Trusts Shortly to be Chartered

From Our Own Correspondent

OTTAWA. — The charge that the Dominion of Secretary of State is holding up about twenty investment trust charters because of protests from trust companies against use of the word trust in the title of the new enterprises was to-day denied at the Secretary of State's department. It was admitted, officially, that such protests had been received from the trust companies, and that these protests had, in the ordinary course of things, received the consideration to which they were entitled. But it was emphasized that any delay there might be in granting investment trust charters was in no sense due to the department being in agreement with the representations made by the trust companies. The delay was due almost entirely, it was said, to a desire of the department to see to it that the applications for the charters were made out in the proper way, and that, in other respects, the public interest should be protected.

Investment trusts, it was pointed out, are a new thing in Canada, and, indeed, on this continent. The first company of the kind to be incorporated in Canada was by Hon. Arthur Meighen, and since then there have been applications for charters for about a dozen similar concerns. Four or five of these applications have been granted and not more than half a dozen are now up for consideration before the state department.

REPEAL IS LIKELY OF TRADE TREATY WITH ANTIPODES

Tide is Rising in on Both Sides Against the Agreement

OTTAWA SEES THE END

Certain Embargoes on Autos Indicate Australia's Dislike to Pact

From Our Own Correspondent

OTTAWA.—Both in Australia and Canada, there is a rising tide of protest against the Australia Trade Treaty, and it will be in the nature of a miracle if this treaty survives another year without one or the other country serving formal notice of abrogation.

In September, after repeated remonstrances with the Canadian government, Premier Bruce and Minister of Trade Pratten couched their complaints in a more effective manner by radically lessening the advantage enjoyed in Australian markets by Canadian automobile manufacturers. This was done by tariff amendments and without departing from the treaty. However, it was one of the first blows against the pact, and, unless advices received here are unreliable, will not be the last.

Abrogation Urged

At Ottawa, a few days ago, the National Dairy Council of Canada urged the immediate abrogation of the treaty, and received the support of the Canadian Council of Agriculture. The Dairy Council declares that imports of butter from the Antipodes menace the future of the Canadian industry. The Council of Agriculture finds that the treaty imposes an unwarrantable burden upon the consumers of raisins and dried currants. For one reason or another there is a large and articulate body of opinion in Canada against the treaty, and it has few friends even among those it is supposed to serve—the automobile, newsprint, and canned fish industries.

Having been in effect two years, it is possible to appraise with accuracy the effects of the treaty upon trade. It must be remembered that the treaty concessions were extended by Canada to New Zealand at the time it was proclaimed. The treaty went into force October 1, 1925, and, in the following table, the trade figures are

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Harding Carpet Factory Nearing Producing Stage

Good progress is being made with the installation of machinery at the plant of Harding Carpets, Limited, Brantford, and the company is expected to be into production on a moderate scale within a few weeks.

This company recently purchased a factory at Brantford. The president and general manager is C. Victor Harding, formerly vice-president of Toronto Carpet Manufacturing Company.

Financing plans have not yet been announced although Mr. Harding intimated to The Financial Post some time ago that a public offering of preferred stock might shortly be made.

Another Constitutional Problem Worries Ottawa

Canada has another constitutional problem which has busied Premier King during his autumn visit to his country estate. It is the revision of the Table of Precedence. Mr. King thinks it is not now in accord with Canada's new status. It appears that under the present Rules, the Governor-General goes in to dinner first and immediately after him the General Officer commanding British troops in Canada — an office now extinct — and the British Admiral at Halifax comes next, while the Prime Minister and his Cabinet come eighth, being preceded by the Archbishops and Bishops, according to seniority. Where to put the Bishopless democratic churches is giving much concern.

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Background of Canadian Business

By JOHN E. LANGDON, Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Expansion of Business in Near Future is Not Unlikely
Dollar Volume of Business Creates New Record
Eleven Months Building Exceeds Final Total for 1926
Decline in Exports to United Kingdom Features Trade
Commercial Failures Show Little Change From Last Year

HAND-TO-MOUTH buying has come in for a lot of criticism in the past year or two. It has not been without its champions. Absence of the huge stocks of goods which used to make trouble when consumption suddenly fell off, has acted as a buffer when there was a tendency of business to falter. On the other hand buying for immediate requirements has not been conducive to genuine booms. Industry has been held in hand and production down to a level not far above actual consumption. One feature of the situation, not generally recognized, is that at some time after a period of reduced consumption, orders will suddenly reappear because of the very fact of prolonged retrenchment and when this happens, lack of accumulated merchandise, will instantly speed up production.

Another reason for expecting a revival or increased volume of trade is to be seen in easy credit. Not for many years has there been such an abundance of credit. The banks have tightened up on loans in the last week or two, but this does not signify any scarcity of credit, as funds on hand are larger than at any time in the past eight years or so. How much of the present trade prosperity has been due to abundant credit facilities is a matter of opinion, but it is certain that expansion would have been checked if money had tightened.

Record "Dollar" Business

The dollar volume of business in October, as represented by bank debits, moved up rapidly. The increase over the same month last year was 24 per cent., the total, as reported by the Canadian Bankers' Association, being $3,511,800,000. This amount compared with $2,830,800,000 in October 1926, and $2,843,900,000 in September last. The gain over the preceding month was 2.35 per cent., while the seasonal increase, according to the experience with bank clearings over a period of 12 years, is slightly more than 30 per cent.

It is not possible to tell what percentage of this increase was due to greater business activity. The continued activity on the stock and mining exchanges, however, was reflected in bank debits to individual accounts, which were at a higher point in October than in any other month since the record was first kept in January, 1924.

As a result of the excellent showing in October, the aggregate of debits for the first ten months is brought up to $27,669 millions, compared with $24,599 millions in the same period of 1926, an increase of 12.5 per cent. The total for each of the months this year was greater than the corresponding totals in 1926. Much of the increase in the present year was due to gains in Quebec and Ontario. The Prairie Provinces was the only economic area which failed to show an increase in comparison with last year.

Construction Industry Active

One of the outstanding features of the business situation this year has been the construction industry. Building throughout the Dominion, taking all forms into consideration, has now exceeded the final total for the entire year of 1928 by 2.8 per cent. According to MacLean Building Reports, construction started during the past month in all Canada amounted to $30,260,500, bringing the cumulative total for the eleven months up to $382,269,600.

Whereas last year residential work was in the lead, contracts for business buildings are to the fore in 1927. This classification has accounted for 36.7 of all forms of construction undertaken, while residential work stands at 30.9 per cent. The balance is distributed between engineering and industrial contracts. A further feature of the construction situation is that contemplated new work so far this year totals $614,337,300, as compared with $50,905,300 for the same period last year, assuring a good carryover into the new year.

Aggregate Trade Larger

Complete figures for external trade during the twelve months ended October last, show that aggregate trade is higher than in the preceding year, largely on account of the increase in imports, which was more than sufficient to offset the decrease in exports. With the exception of fibres and textiles, all classes of imports have been greater in value. Curiously enough fibres and textiles account for the largest increase in exports.

Any doubt as to the decline in the buying power of the United Kingdom is added to by a survey of export figures. For the twelve months ended October last, shipments of Canadian products to that market declined from $472,505,110 to $418,389,509, a decline of roughly $64,000,000, or nearly sufficient to account for the total decrease in all exports. On the other hand, imports from the United States jumped over $48,000,000, as compared with a total increase in foreign purchases of $67,000,000.

Failures Increase Slightly

The situation in respect to Commercial failures approximates that of last year, though there is a slight increase in number. During the ten months ended October, 1927, 1,466 companies went into bankruptcy, with estimated total assets of $19,062,113 and liabilities of $24,735,094. For the corresponding period of last year there were 1,437 failures, having assets of $18,591,334 and liabilities of $24,083,172. The record of the present year is, with the exception of 1926, the best since 1921.

Trading establishments constituted as usual a majority of the failures. Manufactures and agriculture were next on the list, the three accounting for well over 70 per cent. of the total failures. Further analysis of the report shows that Quebec and Saskatchewan are the only provinces to show a smaller number of failures than in 1926, or for that matter, any year in the past five.

October Boot and Shoe Production Shows Increase

A further increase in the production of boots and shoes was recorded in October last, when output totalled 1,711,244 pairs, as compared with 1,600,976 pairs in the corresponding month a year ago. This industry has shown considerable strength during the current year, due, undoubtedly to the greater spending power of the average Canadian.

Cumulative production of footwear for the 10 months ended October 31, 1927, was 16,279,019 pairs, comprising 14,911,018 pairs of boots and shoes with leather or fabric uppers, 296,284 pairs of shoepacks, larrigans and moccasins; 706,765 pairs of footwear with felt uppers, and 364,952 pairs of slippers. The average per month of all footwear for the 10 months' period of 1927 was 1,627,902 pairs, compared with an average per month for the 12 months of 1926 of 1,658,045 pairs.

Sockeye Prospects

After a season of official pessimism regarding the sockeye prospects in British Columbia, Major W. A. Motherwell, chief Dominion fisheries inspector on this coast, reports that the run up the Fraser River this year is the greatest in twelve years.

News of the unusually large run of sockeye has been welcomed by British Columbia packers who, however, had maintained a hopeful attitude throughout the season. They pointed out that while the year's catch had been light, that was no indication of future prospects. Chum and pink catch was heavy and this partly offset the poor sockeye output of the canners.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest: This Year	Latest: Last Year	To Date: This Year	To Date: Last Year
Production—				
Pig iron, tons (Oct.)	38,097	59,526	608,511	631,187
Steel, tons (Oct.)	56,371	63,542	730,660	664,084
Newsprint, cwts. (Oct.)	191,171	168,860	......	......
Automobiles (Oct.)	7,791	14,670	169,374	187,512
Boots and shoes, pair (Aug.)	1,675,598	1,406,782	11,867,591	11,338,398
Flour, bbls. (July)	1,019,000	1,212,000	9,123,000	10,194,000
Construction—				
Contracts awarded (Nov.)	$30,260,500	$34,972,800	$382,269,600	$359,222,800
Building Permits (Sept.)	$14,410,212	$11,047,503	$142,019,530	$120,259,445
Labor—Employment index (Nov.)			107.5	102.8
Transportation—				
Car loadings (to Nov. 26)	80,633	76,043	3,072,128	2,955,819
C.P.R. gross (Oct.)	$21,201,713	$21,377,710	$160,384,749	$158,709,494
C.P.R. net (Oct.)	6,971,365	7,947,199	31,466,611	36,579,221
C.N.R. gross (Oct.)	$25,181,542	$26,292,428	$219,708,431	$216,711,581
C.N.R. net (Oct.)	7,688,003	8,585,671	33,341,597	37,143,519
Population—				
Emigration (Sept.)	9,542	......	99,179	......
Immigration (July)	12,288	16,227	89,722	64,531
Trade (Oct.)—				
Imports	$93,935,872	$88,127,214	$910,324,572	$838,910,159
Exports	103,884,933	130,279,870	937,332,646	1,029,073,852
Imports of key products (Oct.)—				
Rubber, lbs.	4,009,605	......(12 mos.)	22,339,507	29,260,096
Cotton, lbs.	6,684,348	......(12 mos.)	53,673,588	59,421,138
Sugar, cwt.	837,316	......(12 mos.)	10,277,028	10,999,303
Petroleum, gals.	78,905,362	......(12 mos.)	807,960,860	661,854,268
Coke, tons	88,914	......(12 mos.)	808,114	1,030,709
Exports of key products (Sept.)—				
Newsprint, cwt.	3,185,686	......(12 mos.)	36,856,641	33,629,489
Automobiles, pass. (No.)	2,380	......(12 mos.)	46,911	55,658
Wheat, bus.	19,429,654	......(12 mos.)	246,274,071	253,138,477
Wheat Flour, bbl.	898,798	......(12 mos.)	9,303,251	10,562,843
Finance—				
Failures, number (Oct.)	183	180	1,466	1,437
Failures, liabilities (Oct.)	$3,095,476	$3,188,689	$24,735,094	$24,083,172
Bank Debits (Oct.)	$3,511,830,245	$2,830,782,750	$27,668,700,400	$24,599,221,268
Bond sales (Oct.)	$98,601,903	$68,916,541	$507,652,204	$542,333,780
Stock prices index (Nov. 19)	....	....	506.8	212.9
Insurance sales (Oct.)	$48,104,000	$40,226,000	$408,604,000	$380,032,000
Wholesale prices (1913-100)—				
General index (Oct.)	....	....	152.4	151.3
Iron	....	....	142.2	145.1
Cotton	....	....	178.8	108.8
Grains	....	....	163.1	159.9
Cattle	....	....	116.3	96.3
Rubber	....	....	56.4	67.9

Volume of Manufactures Again Declines Sharply From Summer Levels

Usual Fall Pick-up is Absent This Year, But Indications Are That Present Softening is of Temporary Character

After having reached record heights, the Government's index of the physical volume of manufacturing in Canada, recorded a second decline in October last, now standing at 137.7, as compared with 142.7 in the previous month and with 157.2 in the corresponding period of last year.

This showing is somewhat significant, not on account of a drop from the preceding month or from the records made earlier in the year, owing to the fact that the usual fall pick-up in manufactures is absent this year. From August to December last year, the physical volume advanced and closed higher than in August. From present indications, such will not be the case this year. It is not possible to tell at the moment whether this sudden decline denotes any prolonged recession in manufactures, or merely a temporary halt in the exceptionally good business done in the first eight months of the current year.

An analysis of the report shows varied conditions in the individual industries which go to make up the aggregate from which this index is derived. The index of flour production dropped from 147.6 in August to 132.0 in September. The situation in this industry is not so adverse as the index would indicate. For some time past, flour millers have been operating their plants at part capacity on account of the scarcity of foreign demand and the keenness of competition for domestic orders. The actual volume of production in August was 1,158,000 barrels. The following month, output advanced to 1,528,000 barrels, the highest recorded since November, 1926.

Sugar Refineries Quiet

Manufacturing of sugar has not been so extensive this year as in 1926. While the index advanced 15 points in October, production dropped 8,000,000 pounds. Canadian producers claim that competition from Cuban manufacturers is becoming more severe with the result that they are finding trouble in marketing their product. This applies both as to domestic and export demand. The recent announcement of the Cuban Government in regard to production during the current season may have a beneficial effect on the Canadian situation, provided that the carryover is not far above normal.

Imports of cotton, usually taken as an indicator of activity among manufacturers of textiles and textile products, advanced during October. The index on the physical volume also moved forward in sympathy. Results up to date in this industry have been more favorable than last year, although the extreme fluctuations in the price of raw cotton have worked hardship among some of the producers of finished goods.

Newsprint Situation Better

Although the ratio of production to capacity of Canadian newsprint mills has been lower during the past few months than was the case last year, when the mills were operating to capacity, the volume of output is considerably ahead. Production has ranged this year from 151,900 tons in February up to 191,171 tons in October, a new high monthly record for all time. By means of better marketing facilities and control of output, the Canadian manufacturers have been able to take care of the growing number of new machines, as well as allow the American market an opportunity to absorb the extra production. The market has firmed up in the past two or three months, and expectations are that the newsprint industry will continue its development program without fear of a market collapse.

Pig iron production dropped off suddenly in October, the output of 38,097 tons being the lowest recorded in many months. This is explained to some extent by the curtailment in automobile production. As that situation has been remedied, however, the outlook is not unfavorable to an advance in output of pig iron. Production of steel did not drop off as might be expected, but advanced from 54,250 tons in September to 57,371 tons in October. Demand for structural steel was the principal reason for this.

Automobile Output Still Off

For the second time in some years, the index of automobile production dropped below 100, the average of the six year period from 1919-1924. The cause of this is too well-known to require any explanation. It is to be expected that November will show a similar decline, but production should pick up in December, now that the new Ford models have been put on the market.

Other items which go to make up the index of the physical volume of manufacturing, including rubber imports, cattle, sheep, and hog slaughterings and cheese storage holdings, wool and petroleum imports, have been a little more favorable lately and have been instrumental in keeping the index up. Aside from the failure of the major industries to experience their usual fall spurt, the manufacturing situation at present is not unfavorable.

Freight Loadings Continue Along Record-breaking Lines

Better weather conditions in the West and consequent freer movement of grain resulted in an appreciable increase in car loadings during the 47th week of the current year. According to the weekly traffic report compiled by the Bureau of Statistics, car loadings of revenue freight in the week ended November 26th, totalled 80,633, as compared with 77,420 in the preceding week and with 76,043 in the same period last year.

Aggregate loadings since the beginning of the present year now total 3,072,128, as compared with 2,955,819 for the corresponding period of 1926.

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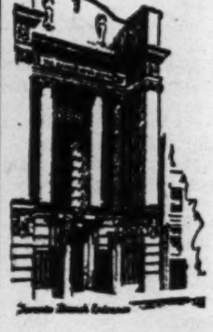

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EXECUTORS AND TRUSTEES

Alley Syndicate Finishes First Experimental Period With Gain of 65 Per Cent.

Bookkeeping is Nearly Baffling Problem for Little Group of Serious Thinkers Now Holding 33 Canadian Stocks

That amateur investment trust known as the Alley Syndicate has closed its books as of Nov. 30 with a net profit of 65 per cent. for the seven months in which the pool has been operating.

Already some of the adventures of this small group of Toronto investors have been told in these columns.

If and when auditors get around to preparing a balance sheet, it will look something like this:

Assets

Stocks at market less allowance for selling exp. .	$22,121.10
Cash or equivalent	289.90
	$22,411.10

Liabilities

Members investment	$ 5,725.00
Bank loan	6,000.00
Owing Brokers	8,739.54
Profit and Loss Surplus .	2,848.10
	$22,411.10

33 Stocks in List

Following is a list of the stocks held, the purchase price, including expenses, and the market value as of November 30th, deducting expenses of selling, etc.:

No. Shares	Stock	Cost Price	Value Nov. 30x
10	Alta. Pac. Grain ...	$ 503.00	$ 580.00
50	Arnold Bros.	762.50	860.00
5	Belding Corticeli ...	351.50	398.50
6	Brazilian Traction...	734.80	1,101.00
5	Can. Canners, pfd..	561.50	558.50
5	Can. Fair.-Morse, pf.	477.12	518.50
100	Gen. Man. Mines ...	199.00	204.00
5	Consumers Gas	949.38	947.00
10	Dominion Stores ...	950.50	1,017.00
10	Duluth Superior	303.00	227.00
5	Fam. Play., can. pf.	484.00	518.50
10	Goodyear Tire, com..	725.00	1,267.00
10	How. Smith, com...	748.00	717.00
10	Hollinger	232.31	172.00
10	International Nickel.	592.74	667.00
100	Inter. Util. "B" ...	657.50	960.00
25	Lake Shore	515.80	666.00
5	Laura Secord	169.80	198.50
5	Montreal Power ...	427.75	433.50
50	Imperial Tobacco ...	481.25	468.45
25	Muirhead's, pfd. ...	330.00	320.00
5	McIntyre	131.00	136.50
25	Noranda	626.67	625.00
5	Pacific Burt	486.50	583.50
5	Page-Hersey Tubes .	361.50	436.00
10	Price Bros.	703.00	748.50
75	Serv. Sta. Equip. ...	1,987.50	2,415.00
10	Shawinigan	853.00	852.00
10	Stanford's	253.00	232.00
10	Steel of Can.	1,714.00	1,816.25
5	Spanish River	546.50	711.00
30	Teck-Hughes	225.12	349.50
60	Wright-Hargreaves..	438.60	416.50
		$19,472.84	$22,121.20
	Appreciation	2,648.36	
		$22,121.20	

N.B.—Common stocks except where noted. xMarket value at close, less allowance for selling commission, etc.

There are 33 stocks in the foregoing list. It will be observed that two of these at the close of November 30th were valued at less than the cost of purchase, after making allowance for selling expenses. But no single loss is greater than $100, only two are above $50 and the rest are below $25. In a number of instances, the loss noted is merely the brokerage in each direction and these are stocks recently purchased for a hold of a year or longer.

Of the gains, there are several which are substantial. Brazilian Traction preferred was bought at $122 and now sells above $180. Goodyear common was bought at $72 and has gained more than 60 points. Pacific Burt was bought at 97 and is now worth 119. Service Station Equipment was purchased at the issuing price and represents a quick profit.

It will be noted by the balance sheet that the syndicate owes its members $5,725. This is the amount that the members have paid in through the original subscription of $2,300 and the monthly payments since then. The original amount was $2,500, but one member dropped out after two or three months, so that the total payments to date are less than had been anticipated.

With the market value of securities held exceeding total liabilities by $2,-648.36, the net appreciation in the capital of the pool represents a gain of 65 per cent. for the members.

Preferreds for Yield

Surplus of the syndicate is the balance remaining on stocks sold at a profit after deducting loss on stocks sold at a loss and certain other expenses. The stocks sold at a profit include Northern Bakeries, Cosmos Imperial preferred, International Nickel, Laura Secord, Mond Nickel, Canadian Canners preferred and Mining Corp. Stocks sold at a loss include McKinnon Industries, Zimmerknit and Hollinger.

The income account of the syndicate has a deficit. A conservatively operated investment pool would endeavor to have income from dividends equal or exceed the interest on money borrowed. This accounts for the presence in the investment list of a number of preferred stocks (such as Famous Players Canadian Corp.), on which the yield is comparatively high and on which no noticeable appreciation in values may be expected.

Expenses Are Light

Interest has been the big item of expense. Expenses other than interest have consisted of rental of a $5 safety deposit box and $10 for petty cash (revenue stamps, postage, etc.). There remains 41 cents in petty cash and the greater part of the expense was incurred prior to July 1st, when stamp taxes were much higher than at present. In the next six months, expenses should remain low.

With a deficit in income account, early dividends from the investment pool are not anticipated. Some of the members are taking the profits as of November 30th, but this is appreciation of principal as distinguished from income.

Dividends hardly can be expected until the reserve account has grown and the proceeds reinvested in stocks which pay dividends in excess of interest and other expenses. High dividend payers are scarce among stocks which have reasonable chance of appreciation, while under present conditions in Canada, the lowest rate available for ordinary borrowings is 6 per cent. The income of the syndicate will not permit a dividend to members until one of two things happens:

1. Dividend rates on stocks held are increased until the yield on the purchase price is high, or,

2. Reinvested reserves (which cost the pool nothing for interest) bring returns which will enhance the yield on the capital paid in by members.

Over a term of several years—assuming that there is a reasonable degree of prosperity—a combination of these two factors should result in a handsome return on the capitalization.

Options For Members

The Alley Syndicate was organized May 2nd to operate for seven months as an experiment. With the end of the seven months, the members are being given several options:

They may take in cash the money put in plus approximately 53 per cent. gain; they may leave all or part of their profits in the syndicate for a further six months. They may put further cash in as of November 30th on the basis of values on that date. They may increase or decrease their monthly payments for the six months beginning January 1st.

In the next period, there will be two classes of stock. Money in the syndicate as of November 30th will be in use for just exactly twice the time that money paid in at the first of each month beginning January 1st is in use. For this reason, profits (or losses) in the next period will be divided two shares for each $5 of old stock for each one going to the new stock. Various amateur mathematicians have been unable to detect any flaws in this proposed division. But while the plan is believed to be equitable, absolute justice is merely aimed at and is not guaranteed by the plan's sponsors.

The Alley syndicate will carry on for the next seven months in the arbitrary manner which has prevailed heretofore. About eight bulletins have been issued and some of these detailed what stocks had been bought or sold, but there is a rumor that one member, who merely paid his subscription each month and had nothing to say as to its disposition, is hopefully watching the papers for a rise in a stock which was sold at a loss several months ago.

Bookkeeping is Problem

The Alley Syndicate has no officers, no bylaws, no constitution and no legal status. Its bookkeeping is casual since its bookkeeper was injured in an automobile accident. The only virtues the syndicate has, according to its historian, is an ability to pick a few good stocks, and its propensity to get the self-elected managers to work for nothing.

The purpose of the Alley Syndicate was to provide a few individuals with an avenue of fairly conservative investment for their monthly savings. The largest single monthly payment has been $55 and the smallest has been $10. In the next period it is probable that some of the payments will be increased. One or two persons may drop out. A few have signified an intention to take part of their profits.

Even Admit Mistakes

By pooling the monthly savings, a degree of diversification has been obtained which would not have been possible for any individuals with from $10 to $55 per month for investment. A few of the executive have good means of obtaining information and some profits have been made in this way. But, in the main, it will be observed from the list of investments that no stocks have been purchased about which there has not been fairly complete information published in The Financial Post.

Some mistakes have been made. Canners preferred, events have proved, was sold too early and it is only a partial correction to buy it a second time. The same mistake was made with respect to Alberta Pacific Grain, common.

Is Now Undermargined

Conservative operation dictated that the commitments should never be more than double the assets. The net assets consist of payments by members plus appreciation in share value, which total $8,622. Twice this amount is $17,244, so that the syndicate is undermargined by about $1,114. This means that its assets about $10,000 to justify carrying the stocks which are held. However, it is understood that two or three stocks will be liquidated shortly.

Another informal rule was that only producing mines be purchased and that the total commitment in mines not exceed 25 per cent. of the assets. The market value of the mining stocks held is $2,433. This is in excess of 25 per cent. International Nickel, incidentally, is classed as an industrial.

RUIN THREATENS HALIBUT INDUSTRY: PILCHARD IS GOOD

B. C. Packers Are Jubilant as Good Season is Predicted for Sockeye

From Our Own Correspondent

VANCOUVER.—The halibut industry of the west and northern coasts of British Columbia is threatened with ruin, but it is not too late to save it, in the opinion of experts who have given their testimony before the International Halibut Commission's sessions here and at other points recently.

In order that the species may be protected, the fishermen will have to submit to severe restrictions on their operations, these experts warned. The halibut industry was worth approximately $4,000,000 to British Columbia last year.

Condition Is Serious

"Statistics gathered by the commission show clearly that the condition of the halibut banks is very serious," declared Dr. W. F. Thompson, director of scientific research under the authority of the commission. "Not only has the total catch declined, but there has been an enormous increase in the amount of gear used.

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Two well-known financial concerns have amalgamated in Vancouver. McDonald, Jukes & Graves having merged with R. P. Clark & Co. (Vancouver) Ltd. Brigadier-General Harold McDonald, C.M.G., D.S.O., the head of McDonald, Jukes & Graves, was formerly manager for Nesbitt, Thomson & Co. at Vancouver, and relinquished that post to form the partnership with A. E. Jukes and Noel C. P. Graves. Prior to the war, Gen. McDonald was a civil engineer and land surveyor in Winnipeg.

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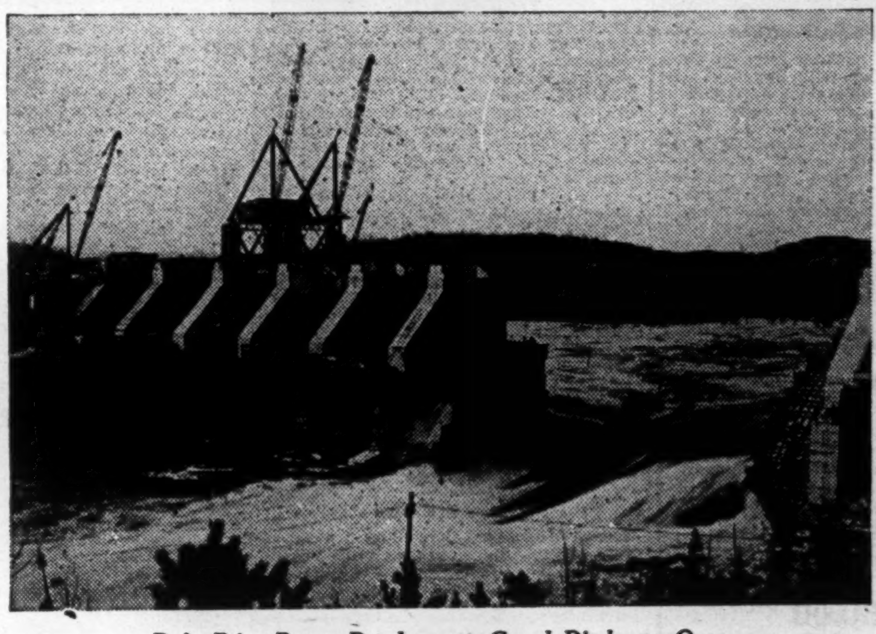

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TORONTO 2

POWER SITE FOR FLIN FLON IS APPLIED FOR

Scant Encouragement to Application Received From Minister

From Our Own Correspondent

OTTAWA.—Chief interest in Flin Flon situation now centres on the power site at White Mud falls. An application for this site was made direct to Hon. Charles Stewart, Minister of Interior, on behalf of Nesbit Thomson & Company, of Montreal. Edward Anderson, K.C., of Winnipeg, acted for Nesbit, Thomson & Company. He received scant encouragement from Mr. Stewart and the application is not taken seriously here. About all that can be said in its behalf is that it might be advisable for the power to be developed by a company not concerned in mining.

R. H. Channing, financial agent for the Whitneys, has an application before the government for the power site, and this application has received the blessing of Premier Bracken, of Manitoba, and therefore is in a preferred position.

Mr. Stewart insists that a special company be incorporated to take over the power site, so that the rates charged on the electric current may be controlled by the Utilities Board of Manitoba. If not developed by a separate company it might be difficult to check up on the rates which Whitneys charged themselves. The company is not yet incorporated and, meantime, the government is marking time.

Important Considerations

While there is nothing here to show that Mr. Channing will not take the power site, there are certain important considerations which will have to be taken into account before the White Mud lease is finally approved. Will the Whitneys desire to accept the power site? There are several good reasons why they would prefer the development to be made by an outside and friendly corporation.

For one thing, it is of great importance to Whitneys to have as large a demand for electric current from White Mud as possible. If a minimum of 40,000 horsepower is developed, the cost per horsepower will be very heavy and will cut into the profits of the Flin Flon very severely. If a market for 150,000 horsepower is available, the cost per horsepower would be reduced 25 per cent. or more, with very gratifying results to all concerned.

About the only way that the demand for White Mud power can be brought above 100,000 horsepower, is for a large pulpwood development to be brougnt about in the Nelson river berth, and centering upon White Mud. There is said to be sufficient wood in the berth for a 600-ton per day mill. In fact, there is now an application before the government for the sale of the berth on condition of the erection of a mill of this size. Mr. Stewart has taken no action because the capitalists behind this application — said to be International Paper—are not quite ready to go ahead. They desire more accurate figures on the pulpwood supplies, and are now procuring them.

To Develop Power

The International has never bought power for a pulpwood development, and, conceivably, if the Whitneys take White Mud, the International would withdraw from the territory. The two companies, it is learned here, are not unfriendly and, possibly, Whitneys would not object to International developing the power provided a suitable contract was made in advance.

It is quite understandable that Mr. Channing would allow his application to stand first on the list before the government, until the International had reached a decision.

These are all factors in the present situation, which would indicate that early action on White Mud is not to be expected. In all probability Mr. Stewart will not reach a decision for several weeks.

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MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Dec. 7	118.2	114.8
Week of Nov. 30	118.1	113.6
Month of Dec., 1926	87.6	80.4
9 Bank Stocks		
Week of Dec. 7	$282	$276
Week of Nov. 30	266	262
Month of Dec., 1926	232	224
10 Public Utilities		
Week of Dec. 7	$115	$110
Week of Nov. 30	113	109
Month of Dec., 1926	89	85

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	7	1	1	9
Paper	4	8	3	15
Steel	12	9	16	37
Foodstuffs	17	22	13	52
Utilities	14	6	10	30
Tractions	7	3	6	16
Textiles	7	5	5	17
Industrials	35	21	23	79
Total	103	75	77	255

SUPERTEST "PETE" WILL SHOW PROFIT OF $5.50 A SHARE

(Continued from page 1)

stations in operation. Sales totalled $114,000 and net earnings only $7,600. In the following year, with 16 stations, sales amounted to $342,000, and net earnings to $16,700. In 1925, there were 67 stations in operation, sales were $680,000 and profits $44,000. Last year, the company had an even 100 stations, sold $840,000 of products and earned $80,000. Its field is Western Ontario, Niagara Pensinsula, Montreal and Ottawa.

Profits to Preferred Buyers

Last June, an offering of preferred shares with a bonus of common was made. This offering has been made about a year previously with a 50 per cent. bonus of common which was cut to 40 per cent. in the offering this summer. Those who got the first bonus now have securities to the value of $118 for each $100 invested and those who bought in June of this year when a public offering was made, have securities worth about $114.

BUSINESS BOOKS

A shelf of good business books is now found in most well equipped offices. We specialize in business books. Name the subject in which you are interested. Use your office letterhead and we will send you a book or two on approval.

McAinsh & Co. Limited
60 Front St. West, Toronto

D. J. McDougald J. B. McArthur

Government Municipal and Corporation

BONDS

D. J. McDougald & Co.
Trusts and Guarantee Bldg.
302 BAY STREET. ELGIN 3278.
The Partners Personally Advise as to Investments.

UNLISTED STOCKS HAVE FURNISHED SHARP ADVANCES

There Are, However, Some That Have Declined Steadily

Sensational advances in insurance stocks have provided the chief interest in unlisted securities in the past two years. At December 1, 1925, $210 was bid for Sun Life; to day $625 is bid. Other advances have been less spectacular, but nevertheless highly profitable to investors.

From a list compiled by A. J. Pattison Jr. and Co., Toronto, the following comparative figures, as at December 1, 1925, and the present time are extracted:

Bid Prices, Insurance Stocks

	Dec., 1925	Dec., 1927
Br. Amer. Assur.	$20.00	$ 40.00
Can. Fire Insurance	85.00	108.00
Commercial Life 10% paid	15.50	14.00
Commonwealth 10% paid	....	20.50
Continental Life, 20% paid	32.00	60.00
Crown Life	115.00	310.00
Dominion Fire	x90.00	105.00
Dominion Guar. & Acc.	x335.00	300.00
Empire Life 10% paid	20.00	34.50
Excelsior Life 30% paid	40.00	105.00
Federal Fire	x25.00	33.00
Fidelity Ins. of Canada	x115.00	125.00
Great West Life	335.00	500.00
Guarantee Co. of N. A.	x200.00	225.00
Manufacturers' Life	74.00	400.00
Merchants Casualty	48.00	†33.00
Monarch Life 10% paid	15.00	41.50
Montreal Life	28.00	54.00
National Life 25% paid	46.50	62.00
Ontario Equitable Life	23.00	34.00
Security Life 50% paid	30.00	†25.00
Sovereign Life 25% paid	20.00	55.00
Sun Life	210.00	1,625.00
Toronto Casualty 15% paid.	x31.00	†25.00
Western Assurance	7.00	50.00

x Dec, 1, 1926. †Asked.

Some Other Good Advances

There have been other interesting advances in unlisted securities.

Canada Machinery preferred, which was $13 bid in 1925, and $19 in 1926, is now $26 bid. The common has declined in the period.

Canadian Westinghouse was $150 bid two years ago; it is now $202 bid and there are apparently no offerings.

Cosgrave's Brewery has come into its own after being one of the orphans of the street and the $4 bid price of 1925 is now $9.

Dominion Sewer Pipe common has risen from $38 to $58; Dunlop Tire preferred from $70.50 to $99.50; English Electric preferred from $54.75 to $74.50, bid prices in each case being given. King Edward "B" debentures have strengthened from $56 bid two years ago to $76 bid to-day. Loew's London common has gone from $2 to $5; Manitoba Power from $15 to $75; Mount Royal old preferred from $36.50 to $58.50; National Steel Car from nominal quotation around $12 to nearly $45.

Some Stocks Show Decline

On the other hand there have been some declines. Brooks Steam Motors have deservedly flopped from anywhere between $5 and $9 a unit in 1925 to somewhere between $1 and $2 now. A more serious motor enterprise, Durant, has had a chequered market career. Stocks bid $4 two years ago went down to $1.50 a year ago and is now about $3 bid. Dominion Linens is off; Milton Brick is down; Willards Chocolate has failed to hold even the $74 bid price of two years ago and is bid $50, offered at $60.

Trust and loan stocks are generally stronger but generally speaking, have not advanced as rapidly as have other stocks that usually reflect advancing prosperity in the country.

SPANISH-ABITIBI MERGER PERTURBING SHAREHOLDERS

(Continued from page 1)

to the Spanish management. The attractive offer comes from Abitibi. As it is a decidedly attractive offer, the Spanish common shareholders will be wise in accepting it. And Mr. Macaulay, on behalf of the Sun Life, will certainly not accept any offer to the Spanish perferred which does not take into full account the strong position occupied by the security.

There is the possibility that the Spanish preferred shareholders may have obtained a slightly exaggerated idea of the merits of their holdings. Literally for years, financial papers, stock brokers, and investment houses have reiterated the merits of Spanish preferred. And it is an attractive stock—but any increase in the dividends to the preferred shareholders was still a long way off had Spanish not gone into the merger.

Year's Earnings

Earnings last year were not large. After paying all dividend requirements, Spanish River was only able to credit $144,301 to reserves. These reserves were for sinking fund and depreciation, and they compare with a figure of $400,000 in 1924. For the year ending June last also, the amount added to surplus, after making allowance for all dividend payments and all necessary reserves amounted merely to $165,640. From these figures, it is obvious any increase in the dividend rate to the Spanish River preferred shareholders—had the company remained out of the merger—was still a long way off. Especially in view of the hesitancy in the newsprint market. Moreover, there is every reason to believe that the present quietness in the demand for newsprint will last for many months.

Dividends on the new Abitibi stock will only begin to accrue from January 1 next. As far as can be gathered, the offer to be made to the preferred shareholders will carry dividends also from the beginning of the year. An offer will be made to the Spanish preferred shareholders after the turn of the year. It will not be until that date that Abitibi will know exactly what percentage of Spanish River common it has acquired.

Any deal, or the handling of any financial deal, can easily be criticised. But the Abitibi-Spanish merger is a constructive move in which eventually the position of the preferred shareholders of Spanish River will be bettered.

Position Compared

Consider the position of the preferred shareholders of Spanish, as compared with the preferred shareholders of the Steel Company of Canada. Both stocks are participating after seven per cent. on the common. Both common shares are paying seven per cent.

Last year Spanish River made a comparatively small allowance to depreciation. The Steel Company made a large allowance. The Steel Company increased its profit and loss account by $1,652,000. Compare this last figure with the same figure in the Spanish River Company's income account of only $165,640.

On its preferred last year, the Steel Company earned nearly 39 per cent. as compared with nearly 20 per cent. on Spanish preferred. The Steel Company earned 18 per cent. on its common, whereas Spanish earned 11.76 per cent.

Immediate Position

An increased disbursement to the preferred shareholders of the Steel Company still seems to be some distance away. Therefore, how much farther off would an increased disbursement to the Spanish preferred shareholders be? Not forgetting also that at the present time, and for some months to come, the newsprint industry will be in the doldrums. The long term outlook for the industry is, of course, excellent. But its immediate position, in formulating some idea of the value of Spanish River preferred shares must not be forgotten.

Some of the Spanish preferred shareholders may not care for the fashion in which the Spanish-Abitibi merger has been worked out, but this certainly does not indicate that they will not receive a fair offer for their holdings early in the new year, as soon as the new Abitibi Company acquires the largest proportion of Spanish common. The offer to Spanish preferred will naturally not be made until a satisfactory merger is assured by the exchange of the great proportion of the Spanish common.

As far as The Financial Post can ascertain, the offer to Spanish preferred will prove satisfactory; it will be made very soon after the turn of the new year.

Prices Are Low

The criticism that the merger was consummated to increase the price of the common shares of both companies need hardly be controverted. Practically all the common shares of the newsprint companies have appreciated of late. Witness International Paper or Wayagamack. Incidentally, present prices of Abitibi and Spanish common are low compared to the price which large interests would be willing to pay for the common of St. Lawrence Paper or are paying for the Bathurst Company.

Regarding the offer which is to be made to the preferred of Spanish River, it is to be remembered that in the merger Spanish preferred have no right to the increased profits which will accrue by the absorption of the smaller companies such as Manitoba Paper and St. Anne's. Spanish preferred shares are entitled to earnings only from the assets of the Spanish River Company. These assets, of course, include shares of these other smaller companies, and through this stock interest they are obviously entitled to a small interest in the operations of the other component companies. However, broadly speaking, the Spanish preferred can not be said to be entitled to a proportionate share in all the savings or increased earnings which should ultimately result from the merger. The present market price of Spanish preferred, compared with Spanish common, does not appear to be out of line.

Suggests International Pete Shares as Stock to Hold

From Our Own Correspondent

MONTREAL.—Between 1922 and 1927, International Petroleum has more than quadrupled its production without any change in its capital structure, says a complete analysis of the company, published by Flood, Potter and Company. The analysis is fully reviewed by this investment house and the conclusion reached is that the stock at the present time is an interesting and attractive investment for a hold. The future prospects of the company are summed up as follows:

"During the last five years the company has expended a total of $50,000,000 in the development of its properties, of which about $34,000,000 was appropriated from surplus earnings, representing an equity of nearly $5 per share on the combined preference and common stocks.

"After taking due consideration of the position of the oil industry, and bearing in mind that it has always been subject to alternating phases of over-production and prosperity, the common stock of this company looks extremely attractive. The past four or five years have seen production in excess of requirements. These requirements are world wide, and have been increasing at the rate of around 30 per cent. annually.

"The time when consumption will march steadily with production would seem to be almost in sight again. From 1922 to 1927 I. P. was advanced from a high of 27½ to only about 11 points higher to-day. In this period it has more than quadrupled production without any change in its capital structure. Neglecting all other factors this alone should make it worth while for any investor to hold."

Ontario Leads in Construction Totals

From Our Own Correspondent

MONTREAL.—Construction throughout the Dominion has now exceeded the final totals for 1926 by 2.8 per cent. Compared with the corresponding eleven months' period of last year the increase is 6.4 per cent., according to the MacLean Building Review, contemplated new work, up to the end of November, totalling $614,337,300 as against $505,905,300 for the same period last year. By geographical divisions the largest total is shown for the province of Ontario during the eleven months, $169,306,900, being 44.3 per cent. of all new work in Canada. The province of Quebec shows $129,063,500, or 38.8 per cent. of the whole. The Prairie Provinces follow with $45,143,600 or 11.8 per cent.; British Columbia with $24,439,900 or 7.7 per cent. and the Maritime provinces $9,315,600 or 2.4 per cent.

POWER FOR MARITIMES

It is stated in the annual report of the Associated Gas and Electric Company that the Maritime properties, acquired in 1926, supply electric service to upwards of 7,500 consumers in 16 communities of the Maritime Provinces of Canada—Nova Scotia, New Brunswick and Prince Edward Island—and in Southeastern Maine. The population of the territory served is estimated at more than 45,000. The properties include 3 steam and 2 hydro-electric plants having a total installed capacity of more than 2,800 kilowatts.

Business Conditions in United States

Business in the United States during the week ended November 26, as seen from figures on cheque payments, was smaller than in the preceding week, but was substantially ahead of the corresponding period last year, according to the weekly statement of the Department of Commerce. Wholesale prices again averaged higher, but were still below the level of a year ago. Prices for cotton strengthened somewhat, being higher also than in the same week a year earlier. Iron and steel prices continued to average lower. Receipts of cotton into sight were smaller than a year ago. The value of new building contracts awarded, although larger than in the previous week, was smaller than in the same week of last year.

Loans and discounts by Federal reserve member banks showed little change from the previous week, but were substantially larger than a year ago. The Federal reserve ratio, averaging higher than in the previous week, was lower than a year ago. Prices of stocks listed on the New York Stock Exchange shows no change from the previous week, but were considerably higher than in the corresponding period of 1926. Loans by Federal reserve member banks in New York City to brokers and dealers, secured by stocks and bonds, were larger than in either the previous week or the same week of 1926. Interest rates on call money, showing no change from the previous week, were lower than a year ago. Bond prices were higher than in either prior period. Interest rates on time money, although showing no change from the preceding week, averaged lower than in the same week a year earlier.

Production of bituminous coal during the week ended November 19 was larger than in the previous week, but substantially lower than a year ago. Lumber production during the same week, although greater than a year ago, showed a decline from the previous week. Beehive-coke output was smaller than in either prior period. Petroleum production receded slightly from the preceding week, but was still substantially larger than in the same week of last year. Receipts of wheat at primary markets were considerably greater than a year ago. Cattle receipts, however, were running smaller, while receipts of hogs showed an increase over a year ago.

Weekly Business Indicators
Relative numbers, average 1923-25—100

	1927 Nov. 19	19[illegible] Nov. [illegible]
Bituminous-coal production	102.0	146.5
Lumber production	104.5	98.1
Beehive-coke production	33.9	83.5
Petroleum production (daily av.)	118.4	113.3
Freight-car loadings	..	112.5
Building contracts (27 states)	126.4	119.1
Wheat receipts	[illegible]	77.2
Cotton receipts	[illegible]	305.4
Cattle receipts	123.4	131.3
Hog receipts	91.3	79.4
Price No. 2 wheat	..	[illegible]
Price cotton middling	72.8	[illegible]
Price iron and steel composite	85.4	[illegible]
Fisher's price index	93.9	[illegible]
Bank loans and discounts (total)	121.1	114.3
Debits to individual accounts	129.2	[illegible]
Interest rates, call money	84.8	112.1
Business failures	108.6	112.3
Stock prices	184.7	[illegible]
Bond prices	110.7	106.9
Interest rates, time money	97.1	105.7
Federal reserve ratio	91.4	93.1

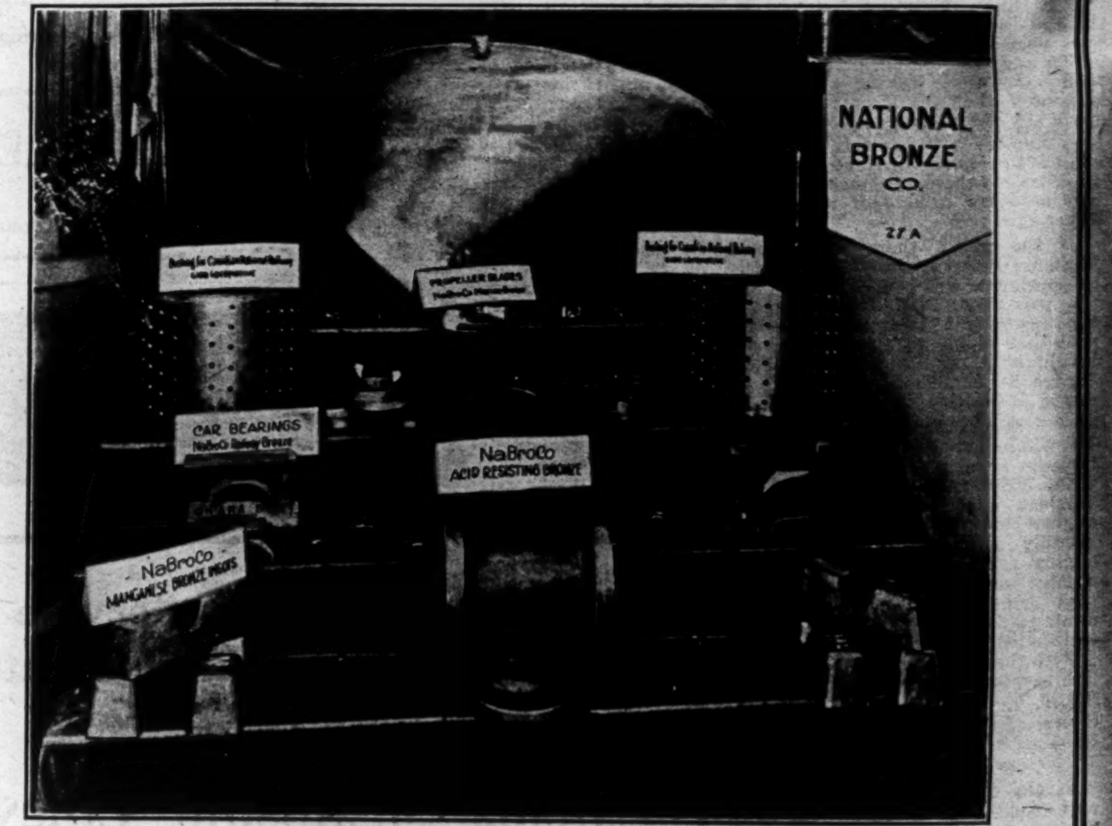

Exhibit of National Bronze Co. at the recent Power Show

Scientific Control is Your Best Guarantee of Satisfaction

THE above display represents some of the specialties of the National Bronze Company Ltd.'s NaBroCo Bronzes. The large propellor blade at the top of the exhibit weighs about 500 lbs. and is made of NaBroCo Marine Bronze. Numbers of ships' propellors are made of varying shapes and sizes.

The large bearings beneath the propellor are the bearings for the new 6100 engines of the Canadian National Railways. These bearings bear the main weight of the engine, and have the variable conditions of high speed and heavy pressure, which conditions are met satisfactorily by them.

Below to right and left are samples of car bearings made for the Canadian National Railways, and in the center an example of NaBroCo Acid Resisting Bronze as used in pulp and paper mills. There is a growing demand for "Acid Resisting Bronze That Really Resists." Such a bronze would only give continued satisfaction if made under strictly scientific conditions with the various factors carefully controlled.

National Bronze Company Limited operates under strictly scientific control, the temperature of every pot of metal being taken, analyses made to check the composition, and metallographic investigations to further control the interior structure of the metal.

The fact that in three years business has grown from 100,000 lbs. to 3,000,000 lbs. a year is the best evidence that could be offered of satisfied customers.

National Bronze Company Limited
York 2858
145 Mill Street Montreal

Unlisted Stocks

These prices are mostly as at December 6, and while obtained from reliable sources, cannot be guaranteed.

Industrial Stocks

	Bid	Asked
A. W. Chase, com.	$ 2.00	$ 5.00
A. W. Chase, pref.	55.00	....
Border Cities pfd., bonus com.	....	40.00
Brandram Henderson, com.	18.00	22.00
Brandram Henderson Pref.	77.00	82.00
Brantford Roofing	98.00	....
Brooks Steam Motor Units	....	2.00
Canada Machinery, com.	6.50	9.50
Canada Machinery, pref.	25.00	30.00
Can. Paperboard Pref.	90.00	....
Canadian Westinghouse	202.00	....
Caulfields Dairy, com.	24.00	....
Copeland Flour Mills, pref.	19.00	....
Dom. Alloy, pref. bonus com.	1.00	3.00
Dom. Foundries & Steel, com.	3.00	4.00
Dom. Foundries & Steel, pf.	20.00	25.00
Dom. Linens, pref.	15.50	....
Dom. Manufacturers, com.	7.00	....
Dom. Manufacturers, pref.	68.00	....
Dom. Power, com.	34.50	38.00
Dom. Power, pref.	101.00	103.00
Dom. Sewer Pipe, com.	59.00	62.00
Dom. Sugar, com.	21.00	24.00
Dom. Sugar, pref.	94.00	97.00
Dunlop Tire, pref.	100.00	103.00
Durant of Canada	3.75	....
Gillett, E. W.	62.00	....
Goodyear Cotton, 7% pref.	101.50	....
Gotfredson Truck, com.	....	18.50
Greening Wire, pref.	96.00	99.00
Guardian Realty, pref.	60.50	65.00
Huethers Brewing, pref.	2.50	5.00
King Edward Hotel "A"	78.00	82.00
King Edward Hotel "B"	74.00	77.00
Kingston Ship-Building, pref.	18.00	....
Loew's Buffalo, pref.	26.00	31.00
Loew's London, com.	5.25	6.00
Loew's London, pref.	7.75	8.25
Loew's Mansfield, pref.	78.00	88.00
Milton Brick Co.	15.00	....
National Steel Car, com.	....	42.00
Palace Thea. (Montreal), pfd.	56.00	....
Pure Food, com.	26.00	29.00
Simpson, Robt., pref.	101.00	103.00

Insurance

	Bid	Asked
British America	42	..
Canadian Fire, full pd.	115	125
Canada Life	950	975
Canada National	16	20
Casualty of Canada, Full Pd.	180	..
Commonwealth, 10% Pd.	21	25
Capital Life, 20% Pd.	22	25
Confederation Life, 10% pd.	90	..
Continental Life, 10% pd.	65	..
Crown Life, Full Pd.	325	..
Dom. of Can. Guar. & Ac.	300	..
Dominion Fire	105	..
Dominion Life, 50% pd.	450	..
Excelsior Life, 30% Pd.	110	..
Federal Fire, 25% Pd.	40	..
Fidelity of Canada, full pd.	140	150
Great West, Full Pd.	510	535
Imperial Life, 85% pd.	400	..
Manufacturers Life, 45% Pd.	425	475
Monarch Life, 10% Pd.	41	45
Montreal Life, 20% Pd.	68	..
National Life, 25% Pd.	70	75
Ontario Equitable, 10% Pd.	36	39
Security Life, 45% Pd.	10	20
Sovereign Life, 25%, pd.	57	65
Sun Life, 75%. Pd.	1650	1725
Toronto Casualty	27	30
Western Assurance	62	..

Mortgage, Loan, Etc.

	Bid	Asked
B. C. Permanent Loan	103.50	$ ....
British Mortgage & Trust	208.00	.....
Capital Trust	56.00	64.00
Chartered Trust	82.50	85.00
Commercial Finance, com.	25.00	28.00
Commercial Finance, pref.	83.00	....
Debentures & Sec. Com.	68.00	....
Debentures & Sec. Pref.	68.00	....
Lambton Loan & Savings	82.00	....
London Loan & Savings	45.00	49.00
Mfg. Finance pfd., bonus, c.	6.50	7.50
Midland Loan & Savings	16.00	....
Mortgage Discount, pref.	6.25	7.00
Mortgage Discount Com.	.40	.80
Mutual Finance, com.	6.25	7.50
Mutual Finance, Pref.	6.25	7.50
Peoples Loan & Savings	78.00	....
Sherbrooke Trust Co.	106.00	.....
Saskatchewan Mortgage	31.00	....
Sterling Trust Co.	94.00	....
Toronto Finance, pref.	....	3.50
Waterloo Trust & Savings	103.00	....

Club Shares

	Bid	Asked
Bayview Golf	$	$ 35.00
Lakeview Golf	45.00	65.00
Lake Shore Golf	....	25.00
Lambton Golf	400.00	450.00
Mississauga Golf	20.00	35.00
Rosedale Golf	125.00	150.00
Summit Golf	15.00	35.00
Thistledown Golf	....	55.00
Thornhill Golf	70.00	95.00
Toronto Winter Club	.....	40.00
Weston Golf	75.00	90.00
York Downs Golf	260.00	300.00

Recent London Quotations

	Sales
Calgary Power	52
Hudson's Bay	86s. 3d.
Hudson's Bay, 5% pref.	96s. 10d.
Can. West Lumber	6s. 9d.
Standard Chemical, 7%	21
Dominion Tar	41s. 9d.
Mond Nickel	90s.
Lake Superior	3

Recent Vancouver Quotations

	Sales
B. C. Telephone, pfd., new	105½b.
Pacific Coyle, com.	13.50a.
Gosse Packing, com.	46a.
Do. pref.	88a.

Recent Winnipeg Quotations

	Bid	Asked
Beaver Fire Co.	120	..
Can. Fire Ins. Co.	107	110
Home Inv. and S. Assn.	74	..
N. Mtge., fully paid	80	..
N. Mtge., 50% paid	36	..
Northern Trusts Co.	42	..
Standard Trusts Co.	35	..
N. Star Oil, Co., pref.	5.10	..
N. Star Oil, com.	1.90	..

WINNIPEG ELECTRIC ISSUE OVER-SUBSCRIBED

When Winnipeg Electric's customer ownership campaign opened five thousand preference shares were offered at 105, and in three hours applications were received for 10,000 shares and many others were entirely refused. All of the money was subscribed in greater Winnipeg, indicating the large amount of capital locally for investment. No decision was reached as to whether the whole 10,000 will be issued. The present preferred stock authorization only permits of 8,000 shares additional, but it is thought that the directors may call a special meeting to authorize a further issue.

Stock Market Record

WEEK ENDING DECEMBER 6

	Div. Rate	Yield Dec. 5	High for wk.	Low for wk.	Close Dec. 6	Close Nov. 29	Sales for wk.	Range, 1927 High	Low
Banks—									
Commerce	12+1	4.71	276½	272	276	272	468	295	228
Dominion	12+1	4.83	269	260	265	258	227	275	217
Can. Nationale	10	5.37	188	185	186	188	108	198	160½
Imperial	12+1	5.24	250	248	249	247	506	256	214
Montreal	12+2	4.18	339	326	333	327	415	355½	272
Nova Scotia	16	4.27	375	368	365	363	194	399	298
Royal	12+2	4.20	333	314	330	316	2162	344	257
Standard	12	5.04	240	230	238	230	226	250	196
Toronto	12+1	4.74	...	...	...	...	...	287	227
Paper—									
Abitibi, com. (no par)	5	3.52	142½	139	140	141	6505	142½	82
Do. pref.	7	5.64	..	...	...	...	...	125	113
Belgo-Can., pref.	7	6.48	109½	105	109½	106	90	109½	101
Brompton (no par)	$2	3.50	58¼	55⅞	56½	57½	2192	64	31
Fraser, pref.	7	5.34	133	130	133	131	1864	141	96
Inter. Paper, c. (no par)	$2.40	3.00	80⅛	75½	77⅛	80	53100	81½	39½
Do. pref.	7	6.25	112	108¾	112	108¼	421	112	98⅞
Laurentide	6	5.45	112	109½	109¾	111	5219	116	90
Price Bros., com.	2	2.66	78⅛	73	78	72	4920	78⅛	51¼
Do. pref.	6½	6.19	105	104¾	105	105	325	105	100
Smith, Howard, com.	.	...	71	70	70	72	230	75	59
Do. pref.	8	6.83	117	116	117	117	26	117½	103½
Span. River, com.	7	4.96	142½	139	139	141	4587	142½	97½
Do. pref.	7	4.62	151½	149⅝	150	151½	770	160	110½
Wayagamack (no par)	$3	2.56	120	114	114	115	2780	123½	46¼
Steel and Steel Industries—									
B.E. Steel, com.	.	...	2½	1	2	⅝	1370	3½	⅓
Do., 1st pref.	.	...	35½	25	30	24	1056	35½	10
Do., 2nd pref.	.	...	6½	2¾	4½	2¾	13206	6½	1
Can. Car & Found., com.	.	...	51	45	51	44	9425	51	35
Do. pref.	7	7.60	92	90	92	90¾	1561	94½	85½
Can. Fairbanks, pref.	6+3x	5.76	..	...	...	...	...	104	80
Can. Forgings, com.	.	...	..	...	...	...	...	27	17
Do. pref.	.	...	..	...	...	...	...	87½	66
C.G.E., com. (par $50)	.	...	65	65	65	63	45	65	49
Do. pref. (par $50)	7	5.73	61	60½	61	63	78	63	55
Canada Iron, com.	.	...	..	...	...	...	...	16	12
Do. pref.	4	6.95	..	...	...	...	...	60	42
Can. Locomotive, com.	.	...	..	...	...	...	...	48	25
Do. pref.	7	10.00	75	70	70	83	35	89	70
Dominion Bridge	.	...	75	68¾	75	71	40842	75	57
Dominion Coal	.	...	80	80	80	75	128	85	67
Dominion Iron, pref.	.	...	3	3	3	1½	30	5	1½
Dom. Steel Corp., pref.	.	...	..	...	...	...	...	41	20
Ford Motor	15	...	..	...	...	...	...	475	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	6	5	5	5	160	15	4
Do. pref.	7	...	50	50	50	50	50	95	50
Massey-Harris, c. (no par)	.	...	39½	36½	38⅞	37	32859	42¾	29
Do. pref.	7	6.42	109¼	108¼	109	108½	330	109¾	103½
McKin. Ind., c. (no par)	.	...	24	23¼	23¼	24	275	25½	15
Do. pref.	7	7.17	97½	97	97½	97½	185	97½	93¼
Do. Vot. Trust	.	...	23⅞	23	23½	23¾	1015	26¾	15
Ontario Steel, com.	6	5.04	..	...	...	...	...	119	73
Do. pref.	7	6.25	..	...	...	...	...	115	100
Page Hersey, c. (no par)	$3	3.44	88	86	86¼	86¾	2202	90	55½
Do. pref.	7	4.00	176	173¾	174	175	490	180	116
Pressed Metals, com.	$3	6.66	47⅜	44	44	46	586	64	34¼
Do. pref.	7	7.60	..	...	...	...	...	97	85
Russell Motor, com.	3	5.55	..	...	...	...	...	60	52
Do. pref.	7	7.52	95	93	93	91	47	99	90⅛
Steel of Canada com.	7	3.80	185½	179	181	182	1857	222	117
Do. pref.	7	3.94	180	177½	177½	178	273	205	127
Milling, Foodstuffs and Merchandising—									
Alta. Pac. Gr., c. (no par)	.	...	58⅝	53¾	55	57½	5623	58⅝	19½
Do. pref.	7	7.17	97½	95	96½	96	484	97½	85
Arnolds, c. (no par)	.	...	18	17	17½	16⅝	2120	26	10½
Do. pref.	.	...	90	90	90	90	20	95	81
Atlantic Sugar, c. (no par)	.	...	23	22	22	23	180	32	21¾
Do. pref.	.	...	.	...	...	...	...	101¼	85
B.C. Fishing, c. (no par)	$1.25	8.93	15	14	14½	15	965	22	12¼
Do. pref.	7	8.86	79	79	78¾	79¾	282	90	72⅝
Can. Bak., c. (no par)	.	...	41	40	40	40½	240	42⅛	26
Do. pref.	7	6.81	102½	102½	102½	104	30	106	97
Can. Bread, c. (no par)	$6	3.68	163	159¾	160	160½	810	172	90
Do. pref. (A)	7	5.93	118	118	118	117	11	125	108½
Do. pref. (B)	7	6.48	110½	108	108	110	176	115	103
Can. Canners, com.	.	...	89	87	89	90	676	90	21
Do. pref.	5	4.46	113	111	112½	111½	3457	118½	76
Canadian Salt	8	5.33	150	150	150	152	5	152	123
Christie Br., c. (no par)	$1.20	1.74	69	68	68½	68	150	73	38
City Dairy, c. (par $25)	3+1	1.84	222	215	215	217	1851	222	79
Do. pref.	7	5.46	128	125	125	128	93	128	112
Cuban Can. Sugar, c.	.	...	3	3	3	4	25	5	1¼
Do. pref.	.	...	..	...	...	...	...	37	26
Wm. Davies (A) (no par)	.	...	42¾	42½	42¾	42½	200	45	25
Do. (B) (no par)	.	...	..	...	...	...	...	20¼	9
Dominion Stores (no par)	$2.40	2.27	105⅞	101	104½	101¾	3225	105⅞	65
Ham. Dairies, c. (no par)	.	...	58	50	50	54	70	55	24
Do. pref.	7	6.86	103	102	102	102½	22	103	95¼
Hunts, com. (no par)	.	...	45	41	44	37	80	45	20
Do. pref.	7	7.29	96	96	96	96	10	96	90
Inter. Milling, pref.	7	6.54	107½	107	107	106	100	109½	104
Lake of Woods, c.	12	6.31	198½	180	193	184	1715	198½	130
Do. pref.	7	5.88	119	119	119	120	5	120	110
L. Secord, com. (no par)	.	...	40	39	39½	41⅞	260	47½	26
Do. pref.	7	5.60	128	125	125	130	45	140	102
Loblaw, com. (no par)	$1	1.16	92	83	90½	83	1410	92	48
Do. pref.	7	5.38	130	130	130	130	1	130	107
Maple Leaf, Mill., c.	.	...	104½	103	104	103½	278	110½	49
Do. pref.	7	6.76	103½	102	102	103½	124	104	94
Muirheads, c. (no par)	50c	4.16	13½	10¾	12½	10¾	1238	13½	8⅞
Do. pref. (par $10)	75c	5.00	15	13	14½	13¼	560	15	10⅞
Nat. Grocers, pref.	8	8.04	99½	99½	99½	100	75	101	99
Ogilvie Flour, c. (no par)	5+10	3.57	420	420	420	435	345	435	205
Do. pref.	7	4.82	..	...	...	...	...	145	120¼
Pure Gold Mfg. (no par)	$1.50	6.81	..	...	...	...	...	22	19½
Shred. Wh., c. (no par)	$3	4.11	74½	69¼	71½	69½	6725	74½	55
Stanfords, c. (no par)	$1	4.17	24	22	24	24	105	26½	19
Do. pref.	7	7.69	93	90	91	91	120	93	88½
St. Law. Flour, c.	.	...	48	40	40	48	310	45¼	25
Do. pref.	7	7.77	90	90	90	90	35	90	79½
Viau Bisc., c. (no par)	.	...	15	15	15	15	25	26	15
Do. pref.	7	8.23	85	85	85	87½	5	92½	83½
W. Can. Fl., c. (no par)	$1.40	3.50	40	38¼	40	38¼	76	41⅞	22
Do. pref.	6½	6.37	103	102	102	103⅝	13	106	100
W. Groc., c. (no par)	$1	5.55	19	17¾	19	17	143	29	13
Do. pref.	7	9.09	77	77	77	77	15	84	74¼
Utilities—									
Bell Telephone	8	5.21	159⅝	150	157	150	578	159⅝	137
Calgary Power	.	...	..	...	...	...	...	50½	50
Consumers Gas	10	5.18	199	189¾	196	190	921	199	171½
East Koot. Pr. (no par)	.	...	..	...	...	...	...	29¼	25
Do. pref.	7	7.00	..	...	...	...	...	100	95
Inter. Util. (A) (no par)	$3.50	7.00	52½	47½	50	47	20057	52½	28
Do. (B) (no par)	.	...	13½	9	11	9	58278	13½	4¼
Jamaica Pub. Ser., pref.	7	6.73	104	104	104	104	10	105	97
Laurentide Power	5	3.44	..	...	...	...	...	150	105
Mackay, com.	7	5.83	120	114	118	119	188	132½	108
Do. pref.	4	5.71	71	69	70	71	786	74	67
Mexican Light, c.	.	...	..	...	...	...	...	52	27
Do. pref.	3½	...	71	71	71	72	155	120	67
Mont L H & P (no par)	$2	2.15	93¾	90	92½	90¾	3992	96¾	68⅛
Montreal Teleg. (par $40)	8	6.03	53½	53½	53½	53⅛	35	53½	49
Nor. Mexico Pr., c.	4	4.93	82	75	80	74	1310	83	42
Do. pref.	7	7.25	96½	96½	96½	92	5	96½	82½
Ot. & Hull Pr., c. (no par)	.	...	..	...	...	...	...	42	26
Do. pref.	7	7.00	..	...	...	...	...	100	96
Ott. L. H. & P., c.	6	4.28	141	140	141	140	80	141½	98½
Do. pref.	6½	6.01	108¾	108	108	107	25	108¾	101
Quebec Power, c.	.	...	84	76	83	77	27814	84	72
Shawinigan (no par)	$2	2.22	91½	85½	89¼	85¾	25091	94¾	67
S. Can. Pr., c. (no par)	$3	2.65	112	112	112	113	43	140	85
Do. pref.	6	5.66	106	105	105	105	77	113	99½
Do. Rts.	.	...	5½	5¼	5½	5¼	56	7¼	4¾
Transportation—									
Can. Pacific Rly.	10	4.65	217	200	213	198½	1812	217	166
Can. Steam., c. (no par)	.	...	38	36	37	37½	85	42	34
Do. pref.	6	6.31	95½	93½	94	95	2157	96½	82½
Do. voting	.	...	..	...	...	...	...	37½	31
Tractions—									
Barcelona (par $50)	1	...	68	67	67	65	50	68⅛	33½
Brazilian, c.	6	2.55	234⅞	220½	232	220½	59076	234⅞	102½
Do. pref.	6	2.03	197	184½	197	182	1242	197	104
Detroit Un. Rly.	.	...	..	...	...	...	...	5	1
Duluth-Superior	$2	9.09	23	21	21	22¾	82	30⅞	21
Minneapolis S.S.	.	...	..	...	...	...	...	43½	42¼
Mexican Trams.	.	...	..	...	...	...	...	21	19½
Montreal Trams.	10	5.10	197	196	197	195	60	200	169
Ottawa Traction	4	6.06	70	66	70	64	130	70	64
Porto Rico Rlys., c.	$3	4.30	..	...	...	...	...	70⅝	59
Do. pref.	7	7.21	..	...	...	...	...	100	90
Twin City, c.	4	7.40	55	51	51½	54	695	66	45
Do. pref.	7	6.86	..	...	...	...	...	103	100
Winnipeg Elec., c.	2	1.94	103	99¾	100	101½	3370	104½	60⅝
Do. pref.	7	6.48	109	107	108	107	263	109	100⅝
Do. Rts.	.	...	15¼	13	15¼	14½	1039	16	6⅝
Textiles—									
Can. Conn. Cotton pref.	4	6.34	63	62	62	63	208	69	36
Can. Converters	7	6.66	107	105	105	106	67	109	92
Can. Cotton, com.	8	5.92	135	130	135	126	95	135	115
Do. pref.	6	5.76	104	104	104	103	20	104	95
Can. Woollens, com.	.	...	19	15	19	13½	992	19	5
Do. pref.	.	...	89	76	89	75¼	85	89	59¾
Cosmos Imp., c. (no par)	.	...	27¼	26¼	26½	27	1030	31½	13
Do. pref.	7	7.03	99½	99	99	99½	40	103	91¼
Dom. Textile, c. (no par)	$5	3.70	135	129⅞	134	130	2145	135⅞	105
Do. pref.	7	5.55	127	126	127	128	73	128	115¾
Monarch Knit, c.	.	...	..	...	...	...	...	35½	7½
Do. pref.	.	...	50	50	50	45	25	54	45
Montreal Cottons, c.	6	5.21	..	...	...	...	...	117	110
Do. pref.	7	5.88	..	...	...	...	...	121	114
Penmans, c. (no par)	$4	4.25	94	93½	94	92	485	108	70
Do. pref.	6	5.76	104	104	104	104	10	105	101
Wabasso Cotton (no par)	6	4.78	125½	124	125	125	385	137	84
General Industrials—									
Amer. Sales, c. (par $20)	4	5.19	78	70	76½	70	633	78	60
Do. pref.	7	6.60	106	105	106	106	51	106	97½
Asbestos Co., c. (no par)	.	...	36	35	36	36	4566	39¾	20
Do. pref.	7	7.29	97	95	97	95⅝	1232	102¼	82¾
Brant. Cd., pf. (par $25)	8	10.52	19	17	18	17	240	25	16
Building Products, com.	.	...	29⅞	23¾	29½	24	6960	29⅞	23½
Do. pref.	7	6.66	105	104	104	100½	42	105	93½
Burt, F. N., c. (par $25)	$3	4.22	71	69	71	70	1234	71	56½
Canada Cement, c.	.	...	35¾	30½	33¾	31	37538	35¾	30
Do. pref.	.	...	99¾	98	99¼	98½	6418	100	93
Can. Oil, c. (no par)	$1	2.50	41½	37	41½	36½	3075	41½	21
Do. pref.	8	6.34	130	125	130	123	227	130	115½
Can. Bronze, c. (no par)	.	...	62	60	60	62	880	63	43
Do. pref.	7	6.42	109½	108½	109	109	370	110	98½
Conduits, com. (no par)	.	...	32	31	32	30	50	32	23
Do. pref.	7	7.00	100	100	100	96	20	96	92
Cons. Smelters (par $25)	10+5	5.60	274½	264⅞	268	267⅝	15509	274½	215
Crow's Nest Coal	6	12.00	50	50	50	50	185	71⅛	50
Dom. Glass, c.	7	5.18	135	133	135	135	820	144	104
Do. pref.	7	5.83	..	...	...	...	...	125	111¼
Dom. Rubber, pref.	7	...	..	...	...	...	...	75	75
E. Theat., c. (par $25)	$2	7.14	..	...	...	...	...	30	24
Do. pref.	7	7.21	97	97	97	97	5	100	92
Famous Players, com.	.	...	50½	49½	49½	50	875	51½	20
Do. pref.	8	7.76	104	101½	101½	102	220	104	93½
Gilman, com.	6	5.46	..	...	...	...	...	112	109⅝
Do. pref.	7	6.19	113	111	113	111	60	125	110
Goodyear Tire, com.	$5	3.57	140	125	139	125	670	140	85¼
Do. pref.	7	6.54	108½	104½	107½	105	1393	109	94½
Ham. Un. Theatres, com.	.	...	8¾	8¾	8¾	35½	105	35½	8¾
Do. pref.	.	...	83	83	83	85	21	85	83
Hayes Wheel, c. (no par)	.	...	27	26	27	27	1069	34¾	26
Do. pref.	7	7.25	97	96½	96½	96½	30	98	91
Holt, Renfrew, c.	.	...	..	...	...	...	...	45	43
Do. pref.	7	7.44	94	94	94	92	25	94	85
Inter. Nick., c. (par $25)	$2	2.89	72¾	66¼	68¾	67	86988	75	38
King Edward Hotel	$3	5.76	52	50	51	50	105	60	20
Lyall Construction	.	...	50	48	50	48	235	63	25
Loew's, com.	.	...	..	...	...	...	...	47	38
Do. pref.	7	6.93	100	100	100	101	24	105	96½
National Brick, com.	.	...	..	...	...	...	...	10	4
Do. pref.	6	10.00	60	60	60	60¼	20	81	56
Pacific Burt, com.	6	5.12	117	117	117	117	35	117	87
Do. pref.	7	5.93	118	118	118	118	7	118	99¾
Port Hope San., com.	4	2.28	175	175	175	185	5	185	125
Do. pref.	7	6.45	108¼	108¼	108¼	110	5	111	90
Rogers, Wm., com.	.	...	..	...	...	...	...	80	64
Do. pref.	7	7.00	100	100	100	100	20	102	92
Sher-Williams, com.	6	3.24	..	...	...	...	...	207	142
Do. pref.	7	5.57	125¼	124	125¼	124	47	125¼	117
Standard Chem., pref.	.	...	25	25	25	23	25	26	15
Sterling Coal	.	...	21	21	21	24	20	36	20
St. Maur. V., c. (no par)	.	...	79	74	75	77	3820	82	47
Do. pref.	7	6.61	105¾	103	105	103	339	105¾	94½
Tooke Bros., com.	.	...	12	12	12	10	45	16	5
Do. pref.	7	...	..	...	...	...	...	72½	65
Tuckett Tobacco, com.	4	4.00	100	100	100	95	35	100	69
Do. pref.	7	6.03	116	116	116	115	20	116	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	9.00	77¾	77½	77½	78½	50	89	75
Zimmerknit (no par)	.	...	23	22	22	23	75	28½	18
Do. pref.	7	7.69	91	91	91	91	5	95	89½
Beverage—									
Brading Brew. (no par)	2	...	..	...	...	...	...	35½	20
Brew. & Distil. (par $5)	5	2.00	14	13	14	14½	1420	18	4½
Can. Brewing (no par)	.	...	39½	35	36	38	8810	39½	22¼
Can. Ind. Alc. (no par)	$1.28	3.00	43¼	41	42½	42¼	20271	43⅞	21¼
Can. Malting (no par)	.	...	35¾	33	34½	33	13633	35¾	27¾
Carling Brew. (no par)	$2	5.44	36¾	34	35½	36½	7270	37⅛	22⅞
Com. Alc., c. (no par)	$1	3.22	32	30	32	31½	688	70	15
Do. pref.	8	7.47	107	107	107	103	2	110	103
Cosgrave Brew. (par $10)	6	6.66	9⅞	9	9	9¾	1642	12	6
Good. & Worts (no par)	$1+28	2.05	62¾	60	61½	59½	885	64	43¼
Hiram Walker (no par)	$2	3.27	63	59¾	61	60	18520	64	28½
Do. Rts.	.	...	1.10	1.00	1.03	1.00	47411	1.10	1.00
Lake Ont. Brew. (no par)	$2	8.70	25	23	23	25	135	31½	18
Nat. Brew., c. (no par)	4	3.72	108¾	106	106¼	108¾	7446	110½	65
Do. pref.	7	5.73	122	120	122	120	105	122	105
Nat. Distilleries	.	...	21	19½	19¾	21	1210	24	19½
Seagram (no par)	.	...	26¼	24¾	25½	26¼	19288	28⅞	15
Toronto Brew. (no par)	.	...	10½	9	10½	8½	340	13⅛	8
Trust and Loan—									
Can. Landed (par $50)	10+1	4.78	115	115	115	117	2	118	94
Can. Permanent	12	5.24	230	228	230	230	130	235	216⅛
Colonial Invest. (par $10)	6	...	6	6	6	6½	2	7	5
Econ. Invest. (par $50)	4	3.33	60	60	60	60¼	50	60¼	53
Huron & Erie	7+½	5.03	..	...	...	...	...	152⅛	139
Landed Banking	10	5.00	..	...	...	...	...	200	161
Mont. Loan (par $50)	12+1	6.76	..	...	...	...	...	52¾	47
National Trust	12+1	5.09	..	...	...	...	...	255	232
Ont. Loan (par $50)	12	5.00	..	...	...	...	...	120	111
Real Estate Loan	7	6.86	..	...	...	...	...	105	100
Toronto Gen. Trusts	12	4.61	..	...	...	...	...	260	220
Toronto Mtge. (par $50)	10+1	5.09	..	...	...	...	...	110	100
Union Trust	7	5.60	..	...	...	...	...	125	104
CURB AND UNLISTED MARKETS									
Anticosti, pref.	7	...	...	...	...	...	...	98¾	98
Asch., com. (no par)	.	...	34½	27½	31¾	...	1344	34½	27½
Do. pref.	.	...	94	93	93¾	...	223	94	93
Attendu Engine (par $1)	.	...	13	8	10	9	880	35½	8
B.C. Oilfields (par $5)	.	...	..	...	...	...	...	2¾	2
Beacon Oil	.	...	15	14⅞	15	14¾	100	20¾	13
Belding, com.	6	7.50	80	80	80	80	45	88	67
Do. pref.	7	7.14	98	98	98	97	10	100	96½
Brit. Am. Oil (no par)	80c	2.05	39¼	35¾	37⅞	36	46248	39⅜	20
Can. Celanese (no par)	.	...	61	59	59	62	671	85½	52¾
Do. pref.	.	...	95	91	95	91¼	186	95	88
Can. Light & Power	.	...	..	...	...	...	...	55	20
Can. Nor. Pr., c. (no par)	.	...	..	...	...	...	...	75	42
Do. pref.	7	6.93	102	101	102	100	65	102	97
Cockshutt, pref.	4	3.70	109	94¾	106	94½	6389	109	67
Continental Oil	$1	5.00	..	...	...	...	...	22¼	16½
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	14	10¾
Do. pref.	4	...	..	...	...	...	...	55	50½
Cuneo Press	.	...	..	...	...	...	...	58⅞	58
Dom. Engineering	.	...	59	57	57	58	1325	60	45
Dom. Power, pref.	7	6.93	..	...	...	...	...	102	100
Dryden Power (no par)	.	...	30	24	27½	24½	6418	30	9½
E. Dairies, c. (no par)	.	...	56	54	56	56	1767	57¾	20½
Do. pref.	7	7.00	..	...	...	...	...	100	94
Eng. Elec., c. (no par)	.	...	11	11	11	18½	14	18	11
Do. pref.	.	...	74½	74½	74½	78	10	95	72½
Farm. Dairy, c. (par $50)	$2	...	280	280	280	245	7	280	220
Do. pref.	7	6.36	110	110	110	110	25	110	105
Foothills Oil	.	...	2.70	2.50	2.50	2.60	1460	3.25	2.00
Foreign Pr. Secs. (no par)	.	...	46	42	42	42¼	4872	46	29
Frontenac Oil	.	...	40	34	34¾	35	23745	40	23½
Chas. Gurd, com.	$2	2.66	78½	71¼	71¼	71½	8225	78½	28⅞
Do. pref.	7	6.93	..	...	...	...	...	101	93
Illinois Power, pref.	7	7.56	..	...	...	...	...	101½	92½
Imperial Oil (no par)	$1.50	2.42	62¾	59¾	61½	60	25615	64½	37¾
Imp. Tob., c. (par $5)	6+1½	3.60	10⅝	9	9¾	9½	52153	11	6¾
Inter. Petrol. (no par)	75c	2.00	39½	33½	38	33½	43201	39½	28
Inter. Power, com.	.	...	45½	41¾	44	46	1817	50	24
Do. pref.	7	7.40	96	93	94¾	94	245	96	85
Kemsley	.	...	..	...	...	...	...	17⅝	14⅝
Loew's London, com.	25+5c.	...	..	...	...	...	...	5⅝	4⅛
Manitoba Power (no par)	.	...	90½	88¾	88¾	93	192	96½	50
Do. Rts.	.	...	15	12½	12½	16½	563	17	8½
McColl, c. (no par)	80+50c	2.06	64½	62	64¼	62⅞	23540	64½	22½
Mitchell, J. S.	.	...	30	30	30	30	20	32	23
Mount Royal, com.	.	...	..	...	...	...	...	6	3
Do. pref.	6	...	..	...	...	...	...	55⅝	40
North. Bak. (no par)	.	...	42¼	40⅝	41½	42	5841	45½	25
N. Star Oil, c. (par $5)	.	...	..	...	...	...	...	2.55	1.55
Do. pref. (par $5)	7	...	5.00	5.00	5.00	4.95	100	5.01	4.90
N.S. Car, com. (no par)	.	...	45	38	41½	39½	10767	45	18¾
Ott. Mtl. Pr., (no par)	.	...	..	...	...	...	...	25	19
Do. pref. (par $50)	7	7.07	49½	49½	49½	51	2	53⅝	47
Ott. Riv. Pr. (no par)	.	...	..	...	...	...	...	26	23
Paton Mfg., c. (no par)	.	...	..	...	...	...	...	60	50
Do. pref.	.	...	..	...	...	...	...	100	95
Perfection Glass	.	...	4	3½	3⅞	3	1034	8	3
Photo Engrav. (no par)	.	...	35	31⅞	34½	31½	2799	35	31
Port Alfred, c.	.	...	90	86	86	90	91	90	55
Do. pref.	7	7.00	102	100	102	100	90	102½	95
Power Corp., c. (no par)	.	...	80¼	74¾	77	77	17206	80¼	27¼
Do. pref.	6	6.03	100	99½	100	100	122	100	94
Service Stn. Equip.	.	...	35	31½	34½	31½	3550	35	31
St. Maur. Power	4	2.40	170	162	170	161½	2997	170	96
Simpson, Robt., pref.	6	5.94	101⅛	101⅛	101⅛	103	5	103	100
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (no par)	.	...	1 02	96	97	99	1110	108	35
Do. pref.	8	6.83	..	...	...	...	...	117	104
Standard Clay	.	...	..	...	...	...	...	40	38
Supertest Pet., c.	50+50c	2.00	52	40	51	40	484	52	35
Do. pref.	7	7.40	..	...	...	...	...	97½	92½
United Secs., com.	.	...	65	64	64	63	380	70½	43½
Do. pref.	6	5.71	105	105	105	103½	136	118	103¼
Volcanic Oil	$1.40	5.00	29	29	29	30	350	47¼	23
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7½	5½
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen (no par)	.	...	..	...	...	...	...	25	20

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Pulp & Paper

Common Shareholders of International Paper May Get Further Rights

Company is Improving Steadily in Its Physical and Financial Positions, and Funded Debt Has Been Very Materially Reduced

From Our Own Correspondent

MONTREAL.—That the common shareholders of the International Paper Company can reasonably expect within the next year or two to receive further valuable rights to new stock is the opinion of the Wall Street Journal. At the recent high of about $80 a share, the stock yields only three per cent.—excluding the revenue from the issue of rights, which in the past two years, has been equivalent to $16 a share.

Since October 1925, to date, the common shareholders of International Paper have received $3.20 a share in dividends, plus rights equivalent in cash approximating $16, making a total revenue of $19.20 per share in a little over two years.

The company has been improving steadily, not only its physical position, but also its financial position. Through the recent redemption of its entire issue of $25,000,000 in six per cent. convertible debentures, the funded debt has been very materially reduced.

At April 30 last the funded debt stood at $72,000,000, while the preferred stock outstanding amounted to $47,600,000. Through the redemption of the convertible debentures, the preferred outstanding now amounts to approximately $72,000,000, while the funded debt will be reduced to $47,000,000. The annual preferred dividend requirements will be increased by some $1,750,000, while the fixed charges will be reduced by $1,500,000.

Shortly, about $4,412,000 additional International Paper 7 per cent. preferred will probably be issued in exchange for $5,248,400, 6½ per cent. bonds of the Continental Paper and Bag Mills Corporation. The International Paper owns 51 per cent. of the stock in this company which has experienced unsatisfactory business conditions over the past few years. The International Paper has advanced the corporation some $8,400,000. Probably International Paper will also make an exchange offer to the preferred and common shareholders of the Continental Paper and Bag Mills Corporation.

Dividends Declared

	Rate	Date	Record
Hiram Walkers	50c.	Dec. 15	Nov. 30
Can. Oil, pfd.	2%	Jan. 1	Dec. 20
Page Hersey, com.	75c.	Jan. 2	Dec. 20
Do., pref.	1¾%	Jan. 2	Dec. 20
Belding Cort. pfd.	1¾%	Dec. 15	Nov. 30
East Koot Pr. pfd.	1¾%	Dec. 15	Nov. 30
Wabasso	$1+50c.	Jan. 3	Dec. 15
Mont. Cottons, com.	1½%	Dec. 15	Nov. 30
Do., pref.	1¾%	Dec. 15	Nov. 30
Christie Brown, com.	30c.	Feb. 1	Jan. 15
Do., pref.	1¾%	Feb. 1	Jan. 20
Ott. & Hull Pr., pref.	1¾%	Dec. 15	Nov. 30
Wpg. Electric, com.	$1	Jan. 16	Nov. 30
C. P. Rly, com.	2½%	Dec. 31	Dec. 1
Nor. Mex. Pr., com.	1%	Jan. 3	Dec. 15
Do., pref.	1¾%	Jan. 3	Dec. 15
Lake Shore Mines	10+10	Dec. 15	Dec. 1
Can. Permanent	3%	Jan. 3	Dec. 15
Twin City, c.	$1.00	Jan. 2	Dec. 12
Do., pref.	$1.75	Jan. 2	Dec. 12
Bk. of Nova Scotia	4%	Jan. 3	Dec. 16
Can. Landed	2½%+1%	Jan. 3	Dec. 15
Port Alfred, pref.	1¾%	Dec. 15	Dec. 1
Cooksville Sh. Brick, pfd.	1%	Dec. 15	Nov. 30
Stanfords, com.	25c.	Dec. 15	Nov. 30
Can. Car, pfd.	1¾%	Jan. 10	Dec. 27
Dom. Bank	3+1%	Jan. 3	Dec. 20
Manitoba Power	$2	Jan. 16	Dec. 15
Wpg. Electric, pfd.	1¾%	Jan. 1	Dec. 6
Bell Telephone	2%	Jan. 14	Dec. 23
Imp. Tobacco, com.	1½%	Dec. 20	Dec. 8
McKinnon Ind., pfd.	1¾%	Jan. 1	Dec. 15
Can. S. S. Lines, pfd.	1½%	Jan. 3	Dec. 15
Landed Bkg.	2½%	Jan. 3	Dec. 15
Good. & Worts	25+25c.	Dec. 15	Nov. 30
Can. Nor. Power, pfd.	1¾%	Jan. 16	Dec. 31
So. Can. Power, pfd.	1½%	Jan. 16	Dec. 24
Dom. Glass, com.	1¾%	Jan. 2	Dec. 15
Do., pfd.	1¾%	Jan. 2	Dec. 15
Midland Loan & Sav.	4+2%	Jan. 3	—
Pure Gold Mfg.	50c.	Dec. 15	Nov. 30
Belgo.-Can. Paper, c.	1¼%	Jan. 12	Dec. 31
Do., pref.	1¾%	Jan. 3	Dec. 2
Cosgrave Brew.	1½%	Dec. 15	Nov. 30
Can. Bak., 1st pfd.	1¾%	Dec. 15	Nov. 30
Do., 2nd pfd.	1¾%	Dec. 15	Nov. 30
Continental Oil	25c.	Dec. 15	Nov. 15
Montreal Loan	3%	Dec. 15	Nov. 30
Huron & Erie	1¾%	Jan. 3	Dec. 15
Canada Trust	5%	Jan. 3	Dec. 15
Traymore, pref.	1¾%	Jan. 1	Dec. 15
Steel of Can., com.	1¾%	Feb. 1	Jan. 7
Do., pfd.	1¾%	Feb. 1	Jan. 7
Brazilian, pfd.	1½%	Jan. 2	Dec. 15
Teck Hughes	10+15	Feb. 1	
Hunts, pfd.	1¾%	Jan. 1	Dec. 15
Canada Bread "A"	1¾%	Jan. 1	Dec. 15
Do., "B"	1¾%	Jan. 1	Dec. 15
Dom. Stores	60c.	Jan. 2	Dec. 15
Tor. Gen. Trusts	3%	Jan. 1	Dec. 15
West Can. Flour, c.	35c.	Dec. 15	Nov. 30
Do., pfd.	1⅝%	Dec 15	Nov. 30
Duluth Sup., pfd.	$1	Jan. 2	Dec. 12
Tor. Mortgage	2½+1	Jan. 1	Dec. 15
Chas. Gurd, com.	50c.	Jan. 2	Dec. 15
Do., pref.	1¾%	Jan. 2	Dec. 15
Brant. Cordage, pfd.	2%	Jan. 15	Dec. 20
Mackay, com.	1¾%	Jan. 3	Dec. 3
Do., pfd.	1%	Jan. 3	Dec. 3
Cosgrave Brew.	1½%	Dec. 15	Nov. 30
St. Maur. Val., pfd.	1¾%	Jan. 3	Dec. 16
H. Smith Paper, pfd.	2%	Jan. 10	Dec. 31

Sales of Legaré Increase

Sales of the P. T. Legaré Co., Limited, are showing a healthy increase. For the nine months ended September they were more than 28 per cent. ahead of those for the first three quarters of 1926. The Saguenay, Gatineau and Eastern Townships district where Legaré is strongly entrenched are developing very rapidly.

REPORT INDICATES EARNINGS INCREASE OF PORT HOPE SAN.

Anticipated That More Liberal Payments Will be Made to Shareholders

A slight increase in earnings, it is expected, will be shown on the balance sheet of Port Hope Sanitary Mfg. Co. for the year ending January 31, 1928.

In the year now approaching an end, the company has obtained its share of the business in Canada, although the industry as a whole, is experiencing at the moment a dullness which may be slightly more than seasonal. On the whole, however, the experience of the last several months has been satisfactory.

Common stock of this company is not active, although it is listed on the Toronto stock exchange. The last recorded trade was 185 in October. This represents an advance of 100 points in less than a year. The stock is on a 4 per cent. dividend basis, since October. Only 3 per cent. was paid in the last several years.

It is anticipated that more liberal payments to shareholders will be made sometime in the future. Until the middle of the current year, the company was engaged in capital expenditures, financed out of earnings, which justified the retention of a dividend rate as low as 3 per cent. The increase to 3½ per cent. in the second quarter will mean a 4 per cent. basis if continued through next year, but it is not improbable that the rate will be increased.

With the major capital expenditures taken care of, it is reasonable for shareholders to expect a greater distribution. Last year, the earnings on the common were $10.50 the share after $63,110 had been appropriated for depreciation, $74,000 for obsolescence, $62,000 for extension of plant and $12,000 for extension of equipment.

There are only 7,495 shares of common stock of $100 par value outstanding, and the majority holdings rest with directors, several of whom are officers of the company.

Fixed assets of the company totalled $818,346 at the end of the last fiscal year, and reserves for depreciation and obsolescence totalled $296,733, or more than one-third. In addition, there was a reserve of $151,000 to cover extension to plans. Current assets totalled $335,878 and investments were valued at $439,170. The preferred stock outstanding totals $249,400 of $100 par value. It is $100 par value. Current liabilities are shown at $87,630. Goodwill and formulae are carried at $1.

New Corporation Acquires Quebec Pulp and Paper

From Our Own Correspondent

MONTREAL.—The Quebec Pulp and Paper Corporation has been formed and has acquired the Quebec Pulp and Paper Mills, Limited. The capitalization of the new company consists of $7,000,000 in seven per cent. preferred and 100,000 shares of no par value common. It has no bonded indebtedness. The common shares in the new company are owned by Price Bros. and the Port Alfred Pulp and Paper Corporation.

The board of directors of the new company is as follows: A. J. Brown, K.C., director, Royal Bank of Canada; A. S. McNichols, former president, Quebec Pulp and Paper Mills, Limited; A. C. Price, director of Price Bros.; C. E. Bergeron, manager of Port Alfred Pulp and Paper Corporation; G. M. McKee, president of Port Alfred Pulp and Paper Corporation; A. Cross, vice-président of Port Alfred Pulp and Paper Corporation; J. L. Apedaile, director of Price Bros., and J. H. Price, president of Price Bros.

The officers of the new company will be as follows: A. J. Brown, K.C., chairman of the board; A. S. McNichols, president; A. C. Price and C. E. Bergeron, vice-presidents; J. M. Carignan, secretary; G. E. Innes, treasurer, and F. G. Bush, assistant secretary.

HALIFAX, N. S.—The bacon hog industry in Nova Scotia has made notable progress this year. In 1926 the shipments totalled 1,926 live bacon hogs, while this year, from January 1 to October 28, 4,988 were marketed—an increase of 160 per cent. over the entire year 1926. King's county holds first place in the province with a record shipment of 942 hogs. Fort William is forcing ahead rapidly as a centre of carload shipments.

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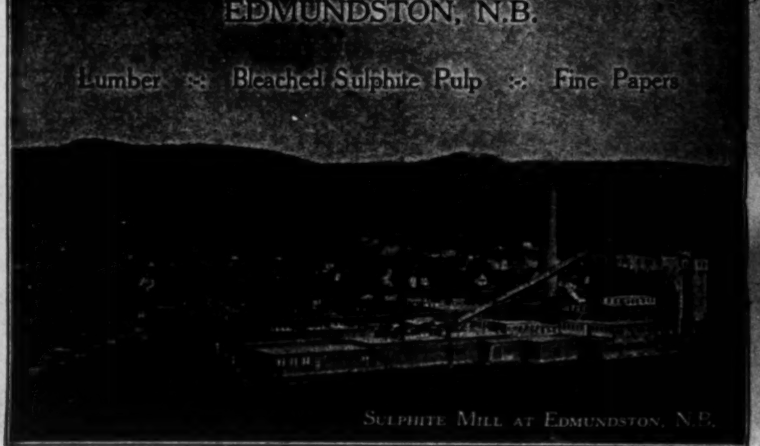

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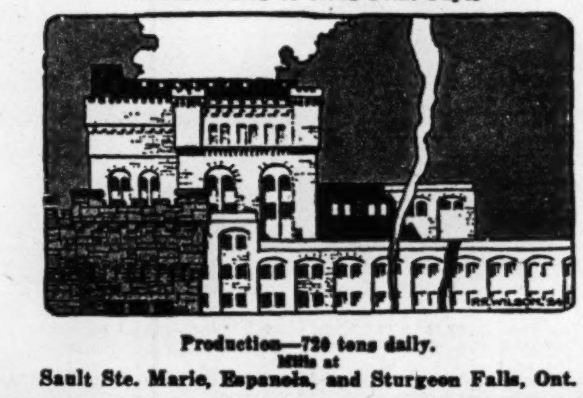

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The Forest Industries of Quebec

Adequate Raw Materials Supply Necessary to Maintain Industry

By B. K. SANDWELL. Article Two

In the preceding article it was shown that the now accessible forests of the Province of Quebec have been officially valued by the Dominion Statistician at 364½ millions of dollars, or slightly over 6½ per cent. of the entire wealth of the Province (estimate of 1921). It was also shown that the capital employed in the three types of forest manufacturing industry, namely pulp and paper mills, saw-mills and planing mills, amounted in 1924 to a total of 265½ millions. This latter figure is not supposed to include any valuation for the extractive part of the industry, namely the woods operations as distinguished from those of the mill proper; so that the total value of the accessible forests and of the industries based upon them, as shown by investigations from 1921 to 1924, may be set down as 630 million dollars, or about 12 per cent. of the total wealth of the Province of Quebec as estimated in 1921 at 5½ billions of dollars. Since progress in the development of the forest industries, and appreciation in the value of their raw material, have both been extremely rapid since the dates when these estimates were formed, it may safely be assumed that the forests and their industries to-day represent at least 12 per cent. and probably much more of the province's total wealth.

Adequate Supply of Raw Material

The permanence and continued productive power of this enormous body of investment depends absolutely and directly upon the maintenance of an adequate supply of raw materials, in the shape of forest timber, within easy reach of the mills. For, unlike other manufacturing industries, the pulp and paper industry cannot compensate for the loss of adjacent raw materials by bringing in raw materials from a distance. It is barely possible for mills in the United States which have lost their wood supply to subsist for a time on wood brought from the adjacent areas of Canada; but a Canadian mill which could no longer depend upon a constant and adequate supply of timber from the accessible parts of the Canadian forests would be at the end of its usefulness, for transportation costs would prevent it from drawing upon any other source. The Canadian forest reserves are already none too large for the requirements of the vast industry now based upon them. Any diminution of them means an eventual restriction of the manufacturing industries.

Little argument should be required to convince the reader that any future limitation of the productive power of an industry representing one-eighth or more of the province's wealth could not possibly take place without causing appreciable loss to practically every vested interest and almost every salaried or wage-earning individual in the province. However, it may be worth while to point out a few of the ways in which the wealth produced by this industry is distributed through innumerable channels to all parts of the economic structure.

Taking first of all the contribution made by these industries to the total wage distribution in the province, we have already found that the Dominion industrial census records a distribution in 1924 of $25,300,000 to 23,345 employees in the three classes of manufacturing establishment based on forest raw materials. This, however, does not include the amount of money paid by the logging camps to labor engaged in woods operations, and owing to the less organized character of these operations exact statistics are not obtainable. However, we know that the value of the pulpwood used in the province for pulp manufacture alone was 25 millions of dollars, to say nothing of all the other types of wood cut, or of the pulpwood exported unmanufactured from the province.

Labor is Largest Element

Labor is the largest element in the value of all wood at the time when it is delivered to a pulp or saw mill; and it seems only reasonable to assume that the combined wage bills of the woods operations and the mills of the three forest industries must now total at least 50 millions of dollars. While the mill operations are continuous, and provide a high grade of employment for a body of employees who with their families represent the equivalent of a city much larger than the capital city of Quebec, the woods operations are seasonal and enable thousands of farmers and others to earn a good living during the winter. Next comes the effect upon the railway transportation business. In 1926 the total amount of revenue freight loaded at stations in the Province of Quebec amounted to 13,375,297 tons. Of this, the products of the forest in their more or less primitive state contributed 4,233,854 tons. Paper products (an item which includes books and printed matter, but the tonnage of both of these is negligible) contributed 856,522 tons, and wood pulp contributed 713,060 tons. The total for the combined forest, pulp and paper industries was 5,803,436 tons, or over 43 per cent. of the total traffic.

This does not represent anything like the whole of the railway business arising out of this industry; for the manufacture of pulp and paper involves a large consumption of coal, and also considerable amounts of sulphur and other chemicals, all of which have to be brought in to the mills, together with the large quantities of supplies consumed by the employees and their families. Whether they are brought in by rail or by boat, they contribute to the maintenance of some form of Canadian transportation agency; and the location of many of the mills is such that a fairly long rail haul is necessary in both directions. In view of the fact that the Canadian people are the owners of about one-half of their railway system, and that even as regards the other half, it is generally admitted that its prosperity is beneficial to the country, there is surely sufficient evidence here that every citizen of the province must be affected, as a taxpayer and as a user of transportation, by anything that would tend to curb the expansion of an industry which is so large a patron of the railways.

There are also few industries whose ownership is as widespread as that of the forest industries has become within the last twenty years. Many veterans of the business can remember the time when these industries were absolutely in the hands of the few families actively engaged in their operation, aided in their financing only by such loans as the banks saw fit to grant them. But in the early years of the twentieth century it became apparent to security dealers and their clients that the pulp and paper industry was shaping towards a condition of great stability, in which even the small investor might safely participate in the provision of the bonded capital, while the stocks of at any rate the well designed enterprises formed a highly attractive investment for the ordinary business man.

Financing of Canadian Pulp

In the last few years the issue of bonds for the financing of the Canadian pulp and paper industry has increased at an astonishing rate, and a market has been found for these bonds among investors of every type, including many of those who were first introduced to the mystery of security holding by the campaign for the sale of government bonds during the war. A compilation of such bond issues, prepared by the Royal Securities Corporation Limited, shows that bonds to the amount of $35,253,500, all based on the assets of Canadian forest industries, were issued during 1925. During 1926 the amount rose to $84,921,333; and in the first half of 1927 there was a slight slackening of activity, the volume of such issues amounting to slightly over 35 millions of dollars.

Anything that would affect the margin of security upon these issues, and consequently their market valuation, would be a most serious blow to the general credit of Canada, and would at the same time affect the wealth and spending power of a large number of Canadian investors. For the interest and dividend payments made by the forest industries to their investors do not remain in the pocket-books of the recipients; they are speedily cashed and the proceeds distributed through every channel of commerce, swelling the deposits of the banks, the trade of retailers and wholesalers in every line of business, the funds of charity, and the resources of religion.

While the exact figures are not obtainable, it appears practically certain that the forest industries make a larger contribution to the public revenue than any other single class of industry in Canada. Taxation and government fee exaction reach them at every point in their operations. The Dominion Income Tax takes from them the eleventh part of their net corporate profits, and not content with that, takes also from their owner, the shareholders, a further levy, the rate of which varies with the wealth of the individual. Both the companies and their employees also contribute largely to the Dominion revenue from taxation on imports. In the Province of Quebec, over eighteen per cent. of the total ordinary revenue of the province is derived from woods, forests and timber, and the forest industries also contribute largely, from their own finances or those of their owners, to the revenue from corporation taxes, succession duties, and licenses and permits, which make up most of the balance of the provincial income. On the other hand, provincial expenditures necessitated by the forests or their industries are extremely small—less than 4 per cent. of the total expenditure.

Another major reason for the national importance of the pulp and paper industry is the fact that, like its nearest competitor, the flour milling industry, it turns out an article for which there is an ample demand in foreign markets which are readily accessible and are keenly anxious to take whatever Canada can supply. There is, however, a peculiar advantage in the pulp and paper industry, in that its export market is almost entirely in the United States. Its products constitute by far the most important of the very few articles which that country is willing to accept from the Canadian side of the boundary. These exports tend to diminish the heavy trade balance against Canada in our commerce with the United States, and are a direct source of financial credits with which we are enabled to pay for our purchases from that country. Our agricultural products, on the other hand, whether manufactured or unmanufactured, are mainly sold to Great Britain and being greatly in excess of the value of the goods which we buy from the British, they compel the purchasers to acquire United States funds for the settlement of their indebtedness to us.

Enormous Value of Export Trade

The enormous value of the export trade in pulp and paper products, and its astounding increase in the last few years. are strikingly shown in the following figures:

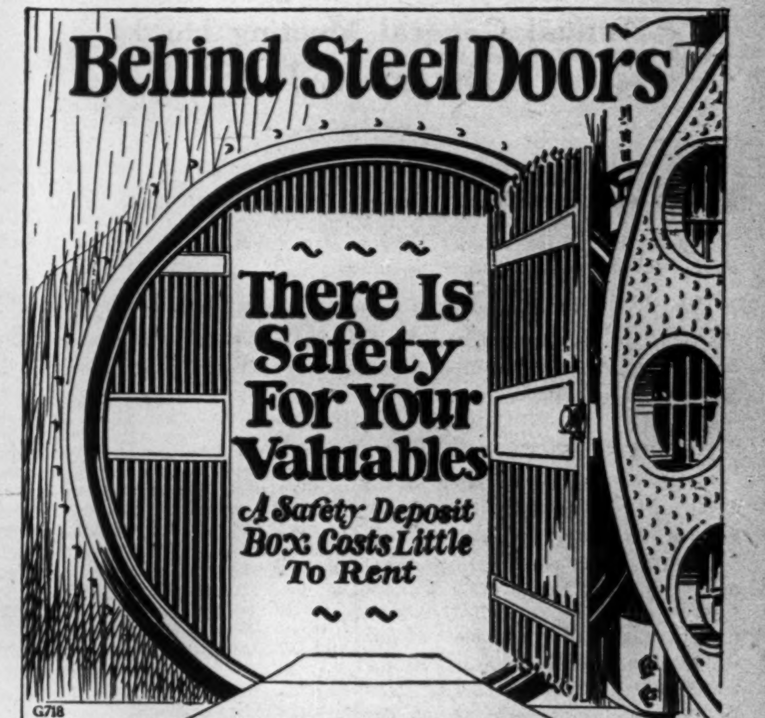
Fiscal Year	Paper	Pulp	Total
1911	$ 3,924,425	$ 4,715,532	$ 8,639,984
1912	3,885,881	5,074,305	8,960,186
1913	6,341,088	5,509,544	11,850,632
1914	12,690,549	6,364,824	19,055,373
1915	15,500,064	12,407,633	27,107,697
1916	20,042,806	8,035,076	28,077,882
1917	26,107,824	20,414,053	46,521,877
1918	37,865,330	25,640,892	63,506,222
1919	49,165,795	34,696,771	83,862,566
1920	63,253,419	41,373,482	104,636,901
1921	92,103,307	71,552,037	163,655,344
1922	69,533,418	35,924,877	105,458,295
1923	79,567,941	42,976,948	122,554,889
1924	96,957,692	46,173,796	143,131,758
1925	99,941,910	41,565,241	141,501,151
1926	110,104,929	49,909,870	160,014,799
1927	123,222,734	49,887,739	173,110,473

In 1918 pulp and paper accounted for 4.1 per cent. of the value of all Canadian products exported. For the fiscal year ending March, 1927, the total value of Canadian products exported was $1,252,157,506; and almost one-seventh, or more exactly 13.89 per cent. of this enormous sum was comprised of pulp and paper exports.

Quebec's Forests; Six New Articles

The forests of Canada are one of the chief props of the nation's economic life. The Financial Post publishes this week the second of a series of articles on the forest industries of Quebec. The articles will have a value for every citizen of Canada for the influence of forest industries in building prosperity is nation-wide. The conservation of the forests is not a problem combined to any one province. Every property owner, every business man and every resident is directly and materially concerned in the continuance of the supplies of the raw material upon which the forest industries depend.

Later The Post hopes to discuss the forestry problem of other provinces.



The Royal Bank of Canada

Electrical Construction
on Power Generating Plants, Substations and Distribution Lines.
Canadian Comstock Company Limited
Montreal Toronto

Lougheed & Taylor, Limited
Calgary, Canada
Bond, Insurance, Estates, Farm Lands, Appraisals
We are well informed on the oil situation.

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NEW ISSUE

$700,000

Clarendon Properties Limited

Owning and operating

The Claridge

7% First Mortgage (Closed) 20-Year Sinking Fund Bonds

Dated November 1st, 1927 Due November 1st, 1947

Denominations: $1,000, $500 and $100

Principal and semi-annual interest, May 1st and November 1st, payable at the Standard Bank of Canada, Toronto, or at its branch office in St. Catharines, Ontario. Coupon Bonds with privilege of registration as to principal only. Redeemable in whole or in part on any interest date on 30 days' notice, at 103 and accrued interest up to November 1st, 1934, 102 and accrued interest thereafter to November 1st, 1941, and 101 and accrued interest thereafter to maturity.

Trustee: The Royal Trust Company, Toronto.

Legal Opinion: Tilley, Johnston, Thomson and Parmenter, Toronto.

CAPITALIZATION

	Authorised	*To be issued*
7% First Mortgage Bonds (this issue)	$700,000	$700,000
Common Stock (no par value)	4000 shares	4000 shares

From a letter from H. Falk, President of Clarendon Properties Limited, we summarise as follows:

LOCATION: "The Claridge" will be erected on a parcel of land purchased by Clarendon Properties Limited and situated at the South West corner of Clarendon Avenue and Avenue Road, immediately south of the recently completed Clarendon Apartments, in the very heart of Toronto's exclusive "Hill" district. The dimensions of the property are about 135 feet by 140 feet.

DESCRIPTION OF BUILDING TO BE ERECTED: The Claridge is to be of reinforced concrete, overlaid with brick and stone. It is a completely fireproof building, six stories high, 190 rooms, with garage in basement; and is undoubtedly without parallel in Ontario for magnificence and timeliness. It represents the most advanced type of metropolitan home development, without losing the quiet dignity, privacy and comfort of a mansion, and solves some of the most perplexing problems of city life:—comparative freedom from servants, luxurious spaciousness in large and splendidly proportioned rooms, complete protection from fire and noise. Uniformed attendants will be on duty day and night, to direct guests, operate the switchboard and elevators, and to guard the premises. All servicing will be through dumbwaiters.

VALUATION: The valuation of the building by Messrs. Baldwin & Greene, Architects and Engineers, including carrying charges, is $1,140,500, and the land valuation by Messrs. Gibson Bros., Realtors, is $57,000, giving a total valuation of $1,197,500. The amount of this issue therefore is only 58% of the valuation of the land and buildings.

SECURITY: The Bonds will be secured by a First (closed) Mortgage in favor of the Royal Trust Company, as Trustee for the First Mortgage Bondholders. This Mortgage will constitute a first and fixed charge on the lands, building and fixed equipment and a floating charge on all other assets of the Company. All money required to complete, finish and equip the building over and above that realized from the sale of these bonds, will be furnished by my associates and myself, who are the sole owners of the Common Stock.

SINKING FUND: Under the terms of the Mortgage Deed of Trust, the Company agrees to place 20-year endowment life insurance policies on the lives of two officers of the Company in an amount of $300,000. In the event of death of these officers before the policies mature the proceeds of the insurance will be used to retire bonds immediately. These policies are of the premium reducing type and the Company further covenants to pay annually as an additional sinking fund the difference between the amount of such premiums and $12,500. This sinking fund will have the effect of retiring approximately $475,000 at maturity.

INSURANCE: Fire insurance to the full insurable value of the building will be carried on the property. In no case will it be for less than the total amount of the First Mortgage Bonds outstanding at any one time. The policies will be assigned to the Trustee for the benefit of the First Mortgage Bondholders.

SURETY BOND: The Guarantee Company of North America will issue to the Company a Surety Bond which guarantees that the John V. Gray Construction Co., Limited, General Contractors, will carry out the construction of the building in accordance with the plans and specifications and that the building will be ready for occupancy, free of all liens, by September 1st, 1928. This Bond will be assigned to the Trustee for the benefit of the First Mortgage Bondholders.

We offer these bonds for delivery if, as and when issued and received by us and subject to the approval of our counsel of all proceedings, at:

100 and accrued interest, to yield 7%

Orders may be telephoned or telegraphed at our expense.

A. N. Worthington & Co.
330 Bay Street
Toronto - Telephone ADelaide 3282

J. A. G. Clarke & Co.
330 Bay Street
Toronto, Telephone ADelaide 5184

R. W. Savage & Co.
303 McKinnon Building
Toronto - Telephone ADelaide 1152

John W. Gordon
St. Catharines, Ontario
Telephone 49

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and upon which we acted in purchasing these securities.

BANK OF MONTREAL

Annual General Meeting Held 5th December, 1927

The 110th Annual General Meeting of the shareholders of the Bank of Montreal was held in the Board Room at the Bank's Headquarters.

On motion of Sir Charles Gordon, Bart., G.B.E., Sir Vincent Meredith, Bart., was requested to take the chair.

Mr. H. R. Drummond moved, seconded by Mr. H. E. Rawlings, that Mr. Hartland B. MacDougall and Mr. W. R. Miller be appointed to act as scrutineers, and that Mr. C. H. Cronyn be the secretary of the meeting. This was carried unanimously.

THE PRESIDENT'S ADDRESS

Before moving the adoption of the Report, it is customary for me to make a few remarks.

I feel I cannot pass on to the general business of the meeting without first referring to the loss the Bank recently sustained by the death of Mr. C. R. Hosmer, our valued colleague and friend, who, for the past nineteen years, had been a Director of the Bank.

The courteous kindliness of his character endeared him to all his friends and acquaintances and inspired a real affection in his colleagues.

By reason of his public and commercial activities, Mr. Hosmer possessed a special knowledge of affairs and rendered valuable services to the Bank over a long term of years.

A SATISFACTORY YEAR

It is a pleasure to report that your Bank has had another satisfactory year. The increase in our commercial loans has been gratifying, notwithstanding the fact that many of our important borrowers have taken advantage of present money market conditions to fund their indebtedness by issuing to the public long-term obligations at a low rate of interest.

The Banks of Canada have a combined Capital and Rest of $253,608,000, which is more than ample to take care of the demands of our present population of 9,389,300. The excess of capital over Canadian business requirements is so great that we are obliged to employ in New York and abroad large sums that would otherwise be idle. It is not your Directors' intention, therefore, to increase the Capital Stock of the Bank at the present time, but rather to strengthen our Rest Account, and with this in view, we are transferring $1,000,000 from Profit and Loss Account, bringing the Rest Account up to $30,916,700.

Your Directors have donated the sum of $200,000, spread over four years, to the fund recently so generously subscribed by the people of Montreal for those most deserving charities, the Royal Victoria Hospital, Royal Victoria - Montreal Maternity Hospital, Montreal General Hospital and Western Hospital, in order to provide for loss in operation over a period of years and make provision for necessary facilities to meet the growing demands of the city. The assistance promised by the Province of Quebec will, it is hoped, provide for these recurring deficits in the future.

GENERAL BUSINESS CONDITIONS

Trade conditions in Canada during the year have been active, and while there is still keen competition in many lines, balance sheets generally show satisfactory profits. Manifold evidence supports this statement. Bank debits, bank clearings, bank deposits, car loadings, railway gross earnings, imports, note circulation, and lower mercantile mortality all reveal that the tide of business has risen during the year.

Speaking generally, manufacturing industries thrive; textile mills are fully employed; iron and steel operators continue to face strong competition from abroad, as an increasing volume of imports attests; the lumber trade shows a slight improvement; newsprint output increases; production of footwear is larger and the industry is in better state; the manufacture of motor cars has slightly diminished, but in the first nine months of the year 161,583 cars were turned out, having a value of $105,179,000, or practically the same as in the like period of last year, though the number of cars was 700 less.

I see no reason why an abatement of confidence in the continuance of these prosperous conditions need be apprehended.

A comparatively new feature in the business of banking, owing to the large amount of securities, both foreign and domestic, that are being distributed to investors, is the establishment of Securities Departments by the larger Banks both here and abroad.

Our Securities Department facilitates the operation of our Bond and Investment House clients and broadens our service to the public. Loans to Bond Houses have reached considerable proportions, but as they are properly safeguarded, they represent desirable business.

The state of agriculture is the barometer of business. In a country of wide area such as Canada, meteorological conditions vary, as in the past season, yet despite a cool, wet spring, which delayed seeding, a good harvest was reaped. The wheat crop of the Western provinces was considerably in excess of 400,000,000 bushels from a seeded area half a million acres less than in 1926. In quantity this yield has been exceeded only once—in 1923. Alberta, favored with abundant rainfall, produced a great crop of wheat and oats, supplying the whole of the increase in the former cereal for all Canada, though Saskatchewan still holds the premier place as principal grain producer of the provinces. Without going into detail, it may be said in general terms that the farmers the country over were well rewarded for their labor last season. Some crops ran substantially above average, and the bountiful harvest supplies the means of maintained business activity. Canada will continue to rank as the principal wheat exporting country of the world.

In this connection, it may be remarked that the lot of Canadian farmers has been much improved in the last three or four years. A succession of abundant harvests, marketed at fair prices, conjoined with receding cost of other commodities, has largely closed the gap of prices between what the farmer buys and what he sells and so has moderated the one-time prevalent agricultural discontent.

FOREIGN CAPITAL

Capital continues to flow freely into Canada from New York, where, it is estimated, $300,000,000 of Canadian securities will this year have been marketed, only a fraction of which represented refunding. Canadian governmental and municipal bonds have long had a receptive market in New York, and industrial and hydro-electric corporations are now able to borrow there at relatively low rates of interest. This introduction of foreign capital accelerates industrial development, while having a favorable bearing on the exchange market, and although interest and dividend remittances on the borrowings may otherwise operate, the process is, on the whole, advantageous. The emission of securities in Canada has also been large and their absorption readily made.

The newsprint industry has had astonishing expansion in recent years, and of the building of new plants there is yet no end. Price stability and maintained consumption have given profit to producers, but signs grow stronger that the point of saturation is approaching, if indeed it has not already been reached. Canada is now the principal pulp and newsprint producer of the world, a position not likely to be lost in the near future. In the first nine months of this year export of newsprint rose to $94,715,000 from $88,719,000 in the corresponding period last year, while that of pulp fell to $35,331,000 from $38,371,000. These figures are satisfactory as indicating lesser export of raw material and growth of manufacture in Canada of the finished article. A year ago, however, Canadian newsprint mills were working at practically 100 per cent. capacity; their operated capacity has since fallen to little more than 80 per cent., by reason of erection of new and enlargement of old plants, and it is this feature which prompts the view that the saturation point is not remote.

The mining industry continues to expand.

IMMIGRATION

Immigration, while still somewhat obstinately slow, is this year larger than last and of good quality. Emigration has not been stopped, nor can it ever be, but it has been checked, fewer of our people now trekking across the border. Holding natural increase and adding thereto 150,000 to 200,000 immigrants yearly appears to be about the best result of our efforts presently to be expected. The problem of keeping people on the land persists.

The extent of building operations has been notable. In the first nine months permits issued represented a value of $142,010,000, an increase of $22,000,000 over the corresponding period in 1926; the figures being compiled from the returns of sixty-three Canadian cities. No lull in activity is apparent other than seasonal. The erection of dwellings keeps pace with that of commercial and other edifices, giving employment to labor and a market for many commodities other than builders' hardware. Increase of population and trade, as well as better housing of the people, is indicated by the figures.

SPECULATION

Widespread speculation is no new experience in periods of prosperity. The painfully learned lesson of losses is soon forgotten and a newer generation profits little from the past. Human nature being what it is, admonition is very apt to be futile, but I cannot refrain from expressing my conviction that too great indulgence in speculative ventures is fraught with danger to business stability.

FOREIGN TRADE

The foreign trade of Canada continues to expand both in volume and value. In the seven months to October 31st this commerce amounted to $1,312,000,000, being an increase of $21,650,000 over the corresponding period last year. Recovery from the inflation period has been constant to the point that this year our imports and exports have been $458,000,000 larger in value than in 1920, an increase of more than 50 per cent. To this recovery much of the prevailing prosperity may be traced, and to this recovery agricultural production and pulp and paper output have mainly contributed. Per capita, Canada now stands almost in the van of nations in respect of foreign commerce. The balance of trade, although considerably reduced, remains in favor of Canada.

THE RAILWAYS

It is trite to say that railways are the arteries of a country's commerce and that unless railways are permitted to impose carriage charges adequate to maintain efficiency of operation and to yield a reasonable recompense to their proprietors, commerce will be impeded in movement, to the prejudice of producers.

BUSINESS IN THE UNITED STATES

The present prosperity of the United States seems based on a sound foundation, and although the marked upward trend of business prevailing the last two years has eased off, there are definite indications that the reasonably satisfactory conditions that now obtain will be maintained and that further moderate growth may be expected. It is not a prosperity as bounteous as that witnessed last year, when industrial activity was at its peak, but it is a more widespread prosperity. It is a significant point that profits of large business concerns are for the most part on a more moderate scale than those enjoyed in 1926.

The banking situation, it is agreed, is sound; agricultural conditions are better and the farmer has much improved his position; labor is as well or better off than it has been at any time in the country's history, and business activity, though it has declined from its peak level, has receded in an orderly manner.

Certain elements in the present situation are rather less favorable than they might be, in that autumn business has not measured up to earlier expectations, but there has been in recent weeks evidence of an improved situation. An ample supply of investment funds, due in part at least to a slackening in business activity, coupled with a decline in commodity prices, has resulted in a marked rise in the prices of stocks and bonds. At the same time the country, in addition to providing all needed new capital at home, is now a substantial lender abroad. The credit situation maintains a comfortable position, over which the Federal Reserve System has exercised a strong influence. Gratifying increases are shown in the savings departments of the banks of the country and the national income of the people has increased 40 per cent. over 1914.

CONDITIONS IN EUROPE

In speaking of European affairs a year ago, I recorded a general favorable advance towards more normal conditions, and this movement is progressing steadily. The aid rendered to impoverished countries by means of foreign credits is restoring their economic life, which must in course of time make for improvement in the world trade. There still remain to be solved many problems of vital importance to the economic and financial well-being of nations, not the least important beng the question of trade barriers, which subject has been receiving the attention of an international conference at Geneva.

In Great Britain, one outstanding feature is the strength of the pound sterling in terms of the American dollar at this, a period of the year when the reverse is usually the case. One reason for this is that the United States is itself financing to a considerable extent its exports of grain and cotton, while the withdrawal of proceeds of foreign borrowings in New York and the transfer of balances to London because of the more attractive rates prevailing in that centre are contributory factors.

There would appear to be clear indications of a persistent, if slow, improvement in business conditions in Great Britain, and while overseas trade figures still show a heavy visible adverse balance, they have revealed a more hopeful trend in recent months. The basic industries of the country, such as coal, cotton, and iron and steel, are still operating on an uneconomic basis, but other branches, such as shipbuilding and the newer industries, the motor and electrical trades and artificial silk, are making substantial progress.

Generally speaking, Great Britain has made a wonderful recovery from the devastating effects of the coal strike last year. What is of paramount importance is continued freedom from industrial strife, and, fortunately, there is growing evidence of an earnest disposition on the part of employers and employed towards co-operation to this end.

Conditions in France during the past year have been somewhat involved. The financial position of the Government has been materially improved by a balanced budget and the consolidation of a large part of the country's floating and short term indebtedness. On the other hand, commercial and industrial enterprises have shown less prosperity than in the immediately preceding years, foreign trade having been curtailed by the appreciation and comparative stability of the national currency. This situation is likely to obtain until after the elections in May next. A happy outlook for better relations with Germany is found in the recently arranged commercial treaty and the withdrawal of a large part of the Army of Occupation.

Foreign balances at the disposal of the French Government through the Bank of France, amounting to nearly one thousand million dollars, operate as a safeguard against speculative attack on the exchange.

Legal stabilization of the franc, being linked to a great extent with settlement of war debt, imposes a problem very difficult of solution.

The sixtieth anniversary of Confederation, and the hundred and tenth anniversary of the Bank, happily coincide with the general prosperity. This anniversary of Confederation has deepened the national consciousness and helped to confirm Canada's place in the world. My hope and trust is that the great inheritance given the Canadian people will be worthily employed and that our country, growing in unity and strength, will attain a yet more lofty place in the British Commonwealth of Nations.

THE GENERAL MANAGER'S ADDRESS

Mr. Chairman and Gentlemen:—

You have before you the one hundred and tenth annual balance sheet of the Bank.

In accordance with custom, let me comment briefly on the principal changes therein and the more important factors in the trade and economic situation bearing on our year's business.

First, then, in two fundamental respects, earning power and liquid strength of resources, our position continues highly satisfactory. Never have we been better prepared to care for all the normal needs of the public and to meet any business or financial exigency.

At the close of our bank year, total assets stood at $831,500,000, and of this amount $481,900,000 was in liquid form—cash, call loans, securities, or either items readily realizable. These quick assets equal 63.78 per cent. of our total liabilities to the public, and this reflects the usual position in which your Bank is maintained.

Our commercial loans in Canada have increased by about $3,000,000 and now stand at $255,100,000. Many of our largest industrial customers, owing to their strong liquid position, need less banking accommodation from us than heretofore; also, certain loans of a special nature which appeared upon our books last year have in the interim been paid, being replaced by advances more widely spread—an indication of greater business activity in the country generally. The total commercial loans of all Canadian banks at the end of September, the latest figures available, aggregated $1,035,800,000.

Our deposits total $709,100,000, an increase of $52,900,000 from the corresponding date last year. While much of this represents deposits of a commercial and special nature, a goodly portion of the increase has occurred in our Savings Department, showing both widespread prosperity and continued public confidence in the Bank of Montreal.

As a sign of this country's growing capital resources—the deposits payable after notice in all banks exceed the total commercial loans by 360 millions, whereas 15 years ago these loans exceeded such deposits by 219 millions.

It is interesting to note that the loans and advances by all Canadian banks today represent 46 per cent. of total assets.

Our note circulation, at $45,700,000, is approximately the same as last year.

Our Bank Premises Account is lower by $250,000 than a year ago. Alterations and new buildings have been paid for out of profits as usual.

PROFITS AND BANKING SERVICE

Regarding profits, which, as before indicated, have been satisfactory, the view is sometimes expressed that bank profits are large, but they are certainly not excessive in proportion to the capital employed. To cite our own case, we employ a reserve fund one million dollars greater than our paid-up capital. This reserve fund, the property of the shareholders, represents in part the accumulation of undivided profits from the beginning of the Bank in 1817, and substantial premiums, ranging as high as $87 per share, at which our stock has from time to time been issued. Our net profits represent earnings of 8.71 per cent. of combined capital and reserve. Incidentally, never in the history of Canadian banking has service to the customer been cheaper or more efficient, nor has competition been more keen.

I may add that in Canada the margin between the rate of interest paid on bank deposits and that obtained by the Bank in the employment of quick assets has been steadily declining for several years.

To epitomize,—the strength of the Bank has been maintained while dividends and bonus have been comfortably earned. Over and above these, however, we continue to fulfil two primary functions, safeguarding depositors' money, and at the same time keeping ever before us the preservation of Canada's financial prestige in this most important period of her development. In these matters we have a full appreciation of our obligations to the Canadian public.

Our offices in London, New York and Paris continue to function satisfactorily and provide a profitable, and indeed an indispensable, adjunct of the Bank's general operations. Incidentally, they give to Canadian visitors a service which many of our friends have been kind enough to commend most highly.

MONETARY SITUATION ABROAD

In the London market the Bank of England discount rate was reduced from 5 per cent. to 4½ per cent. in April last, at which point it has remained, and the central institution has been successful in making this official minimum effective by maintaining control of the supply of credit through open market operations. This control has had the effect of stabilizing the market discount rate for three months, bills at about 4-5/16 per cent., and as short money has commanded a better rate than that ruling in New York, substantial balances have been transferred to London, to the benefit of the sterling-dollar exchange. The Bank of England plays such a large part in the financial life of England that the marked improvement in its position during the last few years commands attention. Since 1923 the Bank's reserve has increased by over 50 per cent., bringing its ratio to liabilities up from about 19 per cent. to over 31 per cent.

Apart from one or two industrial capital issues there have been no important Canadian emissions in the London market during the year, and so far as can be seen at present, Canadian provinces and municipalities will be able to borrow at home on more satisfactory terms for some time to come. In Paris the monetary situation is extremely easy; short discounts are under 3 per cent., and the dollar value of the franc has fluctuated within very narrow limits. In the United States, mounting gold importations have been an important factor in the situation, although the vast gold accumulation has not been used as a credit basis to the extent of creating undue inflation. A substantial portion of the surplus credit has found an outlet in public loans to domestic and foreign industries and governmental bodies. A persistent upward trend of security markets to new peaks has reflected to some extent the gradual easing of interest rates and the growing pressure of surplus funds seeking profitable investment. The call loan rate for the year averaged 4.19 per cent. as against 4.53 per cent. in 1926.

In Mexico, our important business is under capable supervision. Owing to disturbed political conditions and to excessive rains which destroyed a large portion of the crops in various districts, business has faced a difficult year and trade is dull throughout the Republic.

Commercial failures in Canada for the year numbered 2,156, with liabilities of $40,432,000. This compares with 2,285 failures with liabilities of $33,871,000 in 1926.

Bank clearings, which are usually takes as a barometer of business, have been higher by 8 per cent. for the whole of Canada than a year ago. Bank debits, that is the total of items charged to customers' accounts, are an even better indicator, and these are 9 per cent. in excess of 1926.

AN EXPANSIVE YEAR IN BUSINESS

Canada has attracted more than usual attention from the people of other lands this year, partly by the celebration of the Diamond Jubilee of Confederation and the opening of an international bridge between Buffalo and Fort Erie to commemorate the century of peace between Canada and her great neighbor. These happy events have coincided with the most expansive year in business enterprise that this country has ever known, and our many thousands of visitors must have carried away impressions that will enhance the prestige of the Dominion abroad and accrue to our advantage. Added to this, we can now with satisfaction claim that tourist travel—thanks to good hotels, good roads, and splendid railway and steamboat facilities—is increasing rapidly. Our revenue from tourists is estimated for the current year at over 200 millions of dollars which may be compared with the sum of approximately 250 millions payable in interest by Canada annually on its foreign indebtedness.

In the sixty years since Confederation, a marvellous development has occurred in this country, and it is satisfactory to realize that the Bank's progress has kept pace with the progress of the Dominion. Here I might mention, for the benefit in particular of those abroad who are interested in Canada, that with the exception of two years a century ago, this Bank has paid dividends without interruption during the whole of its existence.

In the year of Confederation, 1867, the Bank had a paid-up capital of $6,000,000, a reserve account of $1,250,000, total assets amounting to $19,700,000, and 29 branches. To-day, our paid-up capital amounts to $29,917,700, with a reserve account of $30,917,700, and our assets amount to $831,500,000, while our branches are in excess of six hundred.

INDUSTRIAL DEVELOPMENT

I have referred to the past year as the most expansive in the country's commercial history. That Canadians have experienced a greater degree of individual prosperity than ever before is, I think, undisputed. The high general level of employment, and the enhanced spending power of the people, are attributable to a succession of good harvests and to a great broadening of the basis of production. Until a few years ago Canada was best known abroad as an agricultural country, and outside capital sought investment here chiefly in government and municipal issues and in railway building to provide transportation for an ever-increasing agricultural area. To-day, most of the largely increased capital coming in for investment is for industrial development. It is now fully recognized that Canada has the natural resources for the building up of a vast variety of indigenous industries, and is fitted by the character and spirit of her population to take an increasingly important place among the industrial nations of the world. The great expansion in recent years of mining and metallurgy, with their field now extending into agricultural Manitoba, and of the manufacture of pulp and paper, and those various fabrics commonly referred to as artificial silk, are spectacular instances. Scarcely less impressive is the great progress in a variety of other industries, for which the extraordinary development of hydro-electrical energy is providing the cheapest and most convenient of all motive powers. It is obvious, therefore, that whereas in earlier days we dwelt almost wholly upon our agricultural, fishery and forest resources when appraising our national wealth, we must now also take into account the country's untold wealth in water powers and in minerals.

IMPORTANCE OF AGRICULTURE

We should not lose sight of the fact, however, that agriculture is still our great fundamental industry, its importance is only intensified by the increase in urban industries. Nor should we lose sight of the fact that wheat is the most valuable single item not only of our production but also of our export trade.

And, important as our agricultural industry is now, it is certain to have a vastly greater future, for we have many millions of fertile acres still untouched by the plough and only awaiting settlers to occupy them. No such opportunity for settlers exists elsewhere in the world to-day. The people we want are sure to come, and the filling up of our empty spaces will mean continual growth of agriculture for generations to come.

The total value of Canada's field crops this year is estimated at over $1,000,000,000, and other farm products, based on the returns for previous years, may be estimated at $700,000,000. Therefore, the spending power of our farming classes, which may be put for this year at approximately $1,700,000,000, is a factor of supreme importance in the economic life of the country.

This all has a direct bearing on the business of our bank, for while this institution is taking its full part in the country's industrial awakening, its policy is now, as it always has been, to provide every possible assistance to agriculture.

I may add that the present year has witnessed the 50th anniversary of the establishment at Winnipeg of your bank's first branch west of the Great Lakes. The confidence which the bank showed in the potentialities of the Prairies at that early date has been more than justified, and evidence of our continuing faith is to be found in our present chain of 163 branches throughout the three Prairie Provinces.

Summing up, it may be said that the business situation in Canada was never more hopeful, though I should like to add that no good can come of discounting the future too far in advance. That is a tendency to which we as a people are prone, and a symptom of the same over-confidence that got us into trouble in the past.

The speculation now so much in evidence, to which your President has referred, is a direct reflection of this tendency. Speculation, like fever, is not a disease but a symptom, and, like many a fever, will probably cure itself. Experience suggests the wisdom of guarding against possible set-backs, whereas over-optimism carries with it the ever-present danger of a rude awakening.

Nevertheless, allowing for the swing of the pendulum and for the fact that we are living down our mistakes, Canada can with assurance look forward to a future undreamed-of by the Fathers of Confederation. Not in any spirit of boastfulness, but merely in calm appraisal of our country and its resources, may we not claim that we have all the attributes which go to make a mighty nation? We are blessed in our sturdy population, free from discord, far removed from war's alarms, with a summer climate unsurpassed in the universe, a winter climate that makes of us a hardy people, and lavish natural resources.

This appraisal being correct, we can, given prudent management of our public affairs, proceed upon our destined way with courage and enthusiasm.

PROVINCIAL REPORTS

The customary reports on conditions in the various provinces have been prepared and are available on request to any persons desiring them.

REPORT ADOPTED

The chairman then said:—"With your permission, we will go on with the next resolution after which I shall move the adoption of the report."

The Hon. Rodolphe Lemieux, K.C., then moved, seconded by Mr. W. M. Stewart:—

"That the action of the directors in voting the sum of $200,000, payable in four annual instalments, to the four million dollar Joint Hospital Campaign made in Montreal in April last, meets with the approval of this meeting of shareholders, such action being in the opinion of the shareholders in the interests of the Bank, and such action is hereby ratified and confirmed."

In speaking to this resolution, Mr. Lemieux said:—

"In support of the motion I wish to add just a few brief remarks. As we are all aware by the report of the auditors to-day, and by what has been published in the press, the action of the Directors in that regard has been challenged, and is now before the courts. Therefore, I do not intend to, and it is not proper and fitting that I should, deal with the legal aspect of the case. If this resolution carries it does not validate the donation if there is any legal invalidity attached to it, but simply indicates that we, the Shareholders of the Bank of Montreal, approve, and so far as we can, confirm what the Directors have done.

"The Bank of Montreal has grown up with the country, and it has specially grown up with the great city of Montreal whose population has now reached in round figures the million mark. For that population there is not only need of churches to serve the people but hospitals near those churches. The hospitals are of primary interest to the community. The hospitals must be maintained, and by whom? If I read the British North America Act aright, I find that charities come within the purview of the powers of the Legislature, but the Government can only aid to a certain degree towards the maintenance of hospitals. The hospitals are maintained, first, by the local Government and then by private charity, and we have an example, here in Montreal, indeed several examples of what private charity has done towards maintaining our hospitals. But, as you are aware—and I am going to call the attention of the Minister of Finance to that fact—the income tax act does not exempt private charity from the tax, and private charities are therefore limited. Well, if private charities are of necessity limited, naturally the banks, the great corporations, industrial and financial, must bear their share in carrying the load. The Bank of Montreal has a unique position in the community. It is no vain boast to say that it is one of the greatest banking institutions in the whole world. It would not live up to the ideals of its founders if it did not play a leading part in discharging all such duties affecting the general welfare of the community. You are aware, gentlemen, that similar donations were made during the war towards the patriotic fund, towards the Red Cross, and all such activities. This is clear evidence that it is good business policy, that it is wise and profitable expenditure of a corporation's funds to make such substantial contributions towards the maintenance of our hospitals. I have been now 32 years in public life, and I have heard on the floor of the House and outside, the charge that banks were soulless corporations, that they enjoy to the limit the special privileges which they hold through their charter rights without doing their share for the protection and benefit of the community. I insist on the word 'community' because there is, and especially since the war, a development of that community spirit among the peoples of the world. These donations are an important offset against such charges and they constitute, in my humble judgment, an advertisement published wide and far, which by itself is good and sound business for the Bank. The commercial success of a bank is directly affected by the goodwill, by the esteem, of that community from which we draw our borrowers, our depositors, and our customers. The Bank's employees alone in Montreal constitute a vast army, 1,300 in round figures, and this is of concern for the authorities of the Bank. The prosperity, the industry, the activities of the community depend largely, yes largely on the health of the persons comprising it, and what of the laboring classes who are employees of the Bank's largest customers?

"Furthermore," continued Hon. Mr. Lemieux, "the dividends of the Bank depend directly, first, upon the degree of efficiency of the Bank's employees and the Bank's customers, and especially of these laboring classes constituting the employees of those customers of ours. It is, Mr. Chairman, by helping towards the maintenance of the hospitals that you safeguard the health of the community, and obtain that maximum degree of efficiency which bears directly upon the prosperity of the Bank.

"I have nothing further to add. As a

modest shareholder of the Bank following quietly its activities all the year round, I say in conclusion, that not only do I fully approve, but I heartily approve of the action of the directors." (Applause).

In seconding the resolution, Mr. W. M. Stewart said: "Mr. Chairman, as I happen to be one of the largest individual shareholders, I have much pleasure in seconding the resolution proposed by the Hon. Mr. Lemieux."

As the resolution was put, Mr. John Hamilton, of Quebec, a shareholder, rose.

"May I say that I rise to oppose the resolution," he said, "I do so with a great deal of regret, but I am compelled to do so. As a previous speaker has said, and as you all know, there is an action in the courts to the effect that the directors have no right to make such grant, and as I am in the forefront of the action, I do not think it would be proper for me to say nothing, at this meeting, with regard to it, and I will not say things even apart from the legal aspect. I am justified in saying that I am compelled in my conduct as trustee, and much as I regret to do so I intend to see the action through no matter what the result may be. It is curious that I of all men should be compelled to take an action that would seem to many of you here against the magnificent charity of the Montreal hospitals. That is a matter of deep regret to me, but I cannot help myself. It is as trustee that I am acting. I have held shares for over 50 years as trustee, and held many thousands of shares, and as one of the trustees of a little Protestant hospital in the city of Quebec which has hard work to exist, I hold 500 shares, and we do not like and cannot afford to see money given wrongly, if is wrong. If it is right, it is all right, but as trustee—and I want the people here to understand that it is as trustee that I am shareholder for 500 shares—I want it understood that if we are to give to Montreal's hospitals to help their magnificent work, I have no right to stand back and say I will not act as trustee. I am compelled to do so.

"It may seem a curious thing," added Mr. Hamilton, "that the directors of the Bank of Montreal and myself should have similar views towards effecting improvements in this province of Quebec. For the last 25 years I have given more of my time and more of my personal means for the promotion of hospital and university work than to anything else, except my own family. It is that which causes feelings of regret that I am compelled by the force of circumstances to oppose this resolution."

The Chairman pointed out that under the Bank Act it was necessary that there be a ballot on the resolution. The ballot being taken, the scrutineers reported—in the affirmative, 146,235 shares, in the negative 1,229—carried.

The Chairman then moved, seconded by Sir Charles Gordon, G.B.E., that the Report of the Directors, now read, be adopted and printed for distribution among the Shareholders.

The report was unanimously adopted.

Mr. E. W. Beatty, K.C., moved, seconded by Sir Lomer Gouin, that Messrs. James Hutchison, C.A., and Charles A. Hodgson, C.A., be appointed auditors for the Bank for the ensuing year, and that the ballot for the auditors be taken at the same time as the ballot for directors is taken.

On motion of the Honorable Henry Cockshutt, seconded by Mr. G. B. Fraser, resolutions appointing the necessary proxies for the Bank at meetings of controlled companies were unanimously adopted.

THANKS TO OFFICERS

Mr. Zephirin Hebert then moved, seconded by Mr. James Rodger, that the thanks of the meeting are hereby tendered to the President, the Vice-President, and Directors, for their attention to the interests of the Bank.

In speaking to this resolution, Mr. Hebert said:

"It gives me great pleasure, and it is a great honour, to move the vote of thanks to the president, vice-president, and directors of the Bank of Montreal. The premier bank of Canada ranks among the foremost banks of the world. Since its foundation it has gone forward, not only in material development and progress, but also it has inherited a special character and spirit which are the underlying characteristics of the institution. It has been the deep concern of the successive presidents to keep sacred and intact that spirituality and those principles which have been their guidance. For many years it has been our great privilege to have as president, a gentleman of the highest distinction, of great attainments, a leader among leading men, Sir Vincent Meredith, Bart. His lofty ideals and high standing, his acumen and intelligence have shed lustre on the Bank of Montreal. We cherish the hope that divine Providence may grant him a long lease of life not only for the good of the Bank of Montreal, but for the community as well. The president has been surrounded with a vice-president and directors who have contributed in bringing the Bank to that high and exalted position it occupies to-day. Owing to their high reputations, their conscientiousness in the discharge of their duties and devotion to the interests of the Bank we shareholders desire to express our deep sense of gratitude to the administration of the Bank."

"It is because I think such a motion is very appropriate at this time that I sincerely and heartily second it," said Mr. James Rodger.

Mr. Hebert then moved the resolution, as above.

The resolution was adopted unanimously.

The Chairman—"I thank you very sincerely, Mr. Hebert, for the kind personal remarks you have made about me, and on behalf of my colleagues and myself I wish to thank you for the graceful and flattering remarks you, Mr. Hebert, made in proposing the resolution, and you, Mr. Rodger, in seconding it. We are deeply indebted to you for this proof of your confidence in us, and in the administration of the Bank over which we have the honour to preside."

Mr. Arthur Browning then said: "I think that Mr. Hebert will not object to my adding a few words to what he has said, I do not know it if it is generally known that our president has completed his 60th year in the service of the bank, corresponding to the Confederation Jubilee of Canada, and I think such a wonderful point as that should be added to the resolution."

Lt.-Col. Herbert Molson, C.M.G., M.C., then moved, seconded by Mr. G. B. Fraser, that the thanks of the meeting are hereby tendered to the general manager, the assistant general managers, the superintendents, the managers and other officers of the Bank for their service during the past year.

In speaking to this resolution, Col. Molson said: "We are proud I know of the history and traditions of this fine old institution, and I know that you will all agree with me when I say that the institution depends entirely upon the quality and character of its personnel. Your general manager, Sir Frederick Williams-Taylor, will shortly have completed 50 years of service with the Bank (applause), during which time he has occupied positions from the bottom to the highest and which he has conspicuously adorned. Our other officers have shown by their services a loyalty and wonderful spirit in maintaining the progress of this Bank of Montreal, and may I say that I am delighted, and I am sure all the Board of Directors are delighted, to see so many of our superintendents and bank managers here to-day. We have many of us felt that we do not see nearly enough of our representatives in distant parts of this country, and in the other countries where we have branches."

The motion was carried with applause.

In reply to this, the general manager, Sir Frederick Williams-Taylor, said:

"I am deeply indebted to you. It is beyond my power to express my feelings. I am touched at your appreciation, and your kindly references to my services with the Bank. I may say that it is a matter of pleasant duty to express to you on my own behalf and on behalf of the executive, and entire staff of the Bank, our deep appreciation of your commendation of our services during the past year. Let me refer with intense satisfaction to the loyalty, co-operation, zeal and fine spirit of devotion of the exceptional men and women in our service. I need hardly dwell on the incalculable value to the Bank of these qualities, in which our standard has never been higher than it is to-day."

The chairman then said: "The remaining business before the meeting is the ballot for the appointment of auditors and the election of directors for the ensuing year.

"Before proceeding, I wish to say that, at my suggestion, your directors have approved of a re-organization by which I am to become Chairman of the Board and Chairman of the Executive Committee thereby constituted.

"This action has been taken with a view of strengthening and broadening the structure of executive management of the great and growing property of which your board are trustees, and, in my judgment, will conduce to the advantage of the shareholders. It is not my intention to relinquish the position of Chief Executive of the Bank so long as I retain the confidence of the Board and of the Shareholders."

The ballot for the appointment of auditors and the election of directors for the ensuing year was then proceeded with.

The scrutineers appointed for the purpose reported that Messrs. James Hutchison, C.A., and Charles A. Hodgson, C.A., were duly appointed auditors, and the following gentlemen duly elected directors: Thomas Ahearn, D. Forbes Angus, E. W. Beatty, K.C. The Honourable Henry Cockshutt, General Sir Arthur Currie, G.C.M.G., K.C.B., H. R. Drummond, G. B. Fraser, Sir Charles Gordon, G.B.E., The Honourable Sir Lomer Gouin, K.C.M.G., Harold Kennedy, J. W. McConnell, William McMaster, F. E. Meredith, K.C., Sir Vincent Meredith, Bart., Major-General the Hon. S. C. Mewburn, C.M.G., F. W. Molson, Lieut.-Col. Herbert Molson, C.M.G., M.C., James Stewart.

The meeting then terminated.

At a subsequent meeting of the directors, Sir Vincent Meredith, Bart., was elected Chairman of the Board and Chairman of the Executive Committee; Sir Charles Gordon, G.B.E., was elected President and Mr. H. R. Drummond and Major-General the Honourable S. C. Mewburn, C.M.G., were elected Vice-Presidents.

An executive Committee of the board was appointed, consisting of Sir Vincent Meredith, Bart., (chairman), Sir Charles Gordon, G.B.E., H. R. Drummond, Esq., and Major-General the Honourable S. C. Mewburn, C.M.G.

For annual statement see page 14.

Sea Fish Catch Larger on Both Coasts in October

There were 100,614,100 pounds of sea fish landed on both coasts of the Dominion during the month of October, valued at $2,244,604. During the same period last year there were 79,389,000 pounds taken with a value of $2,274,839—this value being what the fishermen received and not the marketed value. The large increase is due to Pacific herring and pilchards.

On the Atlantic coast the total quantity of cod, haddock, hake and pollock landed was 11,864,400 pounds, compared with 28,960,100 pounds in the preceding October. Large decreases were recorded in the catches of cod, haddock and pollock, due principally to the Lunenburg Bank fall fishing fleet failing to return until after the end of the month and very unfavorable weather conditions on all sections of the coast.

The catch of mackerel shows a considerable increase, 867,000 pounds being taken as compared with 683,600 pounds during the same month of the year previous.

There were 249,600 pounds of lobsters taken during the month, of which 107,200 pounds were shipped in shell and the balance canned, making 714 cases. In the preceding October, the catch was 202,900 pounds, of which 81,300 pounds were consumed fresh and the balance canned, making 608 cases.

On the Pacific coast the catch of halibut was somewhat less during the month under review compared with October last year. The catches were 2,909,000 pounds, and 3,167,500 pounds respectively.

There was a very large increase in the catch of herring, some 14,780,300 pounds being taken during the month compared with 334,000 pounds during the same month of the preceding year. A large proportion of these fish were dry-salted for shipment to the Orient.

Pilchards also show a large increase, some 25,287,400 pounds being landed, as compared with 383,500 pounds during October, 1926; the majority of these fish being used in the reduction works for conversion into fish meal, oil and fertilizer.

WESTERN PROSPERITY

CALGARY, Alta.—W. M. Neal, general manager of Western Lines, Canadian Pacific Railway, states, at the conclusion of his western tour of inspection, that he is more than ever convinced of the solid basis of western prosperity. This impression is verified, he said, by statistics including that of the growth of railway traffic—one of the surest barometers of trade.

Public Utility Earnings

JAMAICA PUBLIC SERVICE

October—	1927	1926
Gross earn.	$56,358	$54,791
Net earn.	22,588	23,739
Surp. after charges	16,512	17,573
12 Mos. End. Oct. 31	1927	1926
Gross earn.	$682,460	$647,244
Net earn.	274,329	254,256
Surp. after charges	200,780	179,344

INTERNATIONAL BID FOR BATHURST CO. HIGHEST OF THREE

Different Groups Run Up Price for New Brunswick Property

From Our Own Correspondent

MONTREAL. — A battle between big interests is in progress to purchase the Bathurst Company from its present owners. There is, apparently, a three-cornered struggle between Holt, Gundy and Company, Nesbitt, Thomson and Company and the International Paper Company to acquire the property.

Three bids have been made for the 101,840 outstanding shares of the Bathurst Company. The first offer of $80 a share was made by Holt, Gundy and Company. This offer, it is said, was accepted by some of the larger individual shareholders of the company, but was to be placed before the board for their consideration. The board met in Montreal this week and while the meeting was in progress, Nesbitt, Thomson and Company made a bid of 101 for the stock and International Paper Company bid 105. As yet, it is impossible to obtain any information regarding just what proportion of the stock was to have been sold at the $80 a share bid. The belief has been expressed, though, that perhaps a majority of the shareholders have not accepted the first bid.

No Public Interest in Stock

There is no real public investment interest in the common shares of the Bathurst Company and the stock is closely held by a few individuals. It is understood also that several estates have an interest in the company. The first mortgage bonds on the property are held by the public.

The International Paper's bid for Bathurst places a $10,693,410 value on the equity in the company. The last balance sheet shows that the assets had a total value of $16,875,775 and that there was $2,537,500 in bonds outstanding.

Last year the Bathurst Company showed a net profit of $68,191 applicable to its 101,842 shares of common stock. On an earning power basis it can be seen that the 105 bid for the stock is high, but the Bathurst Company has rich timber limits and valuable power site holdings. In addition, it has on order a second newsprint machine for its present mill.

Plans Another 250 Tons Daily

For many months now, the company has had plans leading to the ultimate development of its power sites, which would allow the erection of another newsprint mill with a capacity of around 250 tons of newsprint daily. The present daily capacity of its plant is 65 tons of newsprint, 70 tons of sulphate and 40 tons of sulphite pulp. The timber limits embrace 2,500 square miles on which there are some 20 million cords of pulpwood and 2,000,000,000 feet of sawn timber.

REPEAL IS LIKELY OF TRADE TREATY WITH ANTIPODES

(Continued from page 1)

shown up to the very day of proclamation and after.

Fiscal Year	Imports from Australia	Imports from New Zealand	Exports to Australia	Exports to New Zealand
1924	$1,037,451	$2,181,028	$19,923,997	$12,735,620
1925	634,713	191,299	12,035,086	15,079,451
6 mo. ended Sept. 30, 1925	924,998	1,021,772	7,479,805	8,395,076
6 mo. ended March 31, 1926	2,118,056	1,703,463	7,956,220	8,166,268
1927	6,296,157	4,576,842	18,965,881	13,538,513
6 mo. ended Sept. 30, 1927	2,395,579	2,625,978	7,247,721	5,290,410

Increased Exports

Examination of these figures shows, at once, that while Canada has not increased its exports to either country to any appreciable extent, both of the southern dominions have made fairly rapid progress in the Canadian market. In the case of Australia, Canada exported more in 1924 than ever before or since. In 1925, the shipping strike wrought havoc with trade and caused a sharp decline in Canada's exports. Since then there has been a gradual increase until 1927, when the total was $18,965,881, a little less than $1,000,000 below the 1924 total. With New Zealand, the fiscal year 1926 still holds the record. Since then there has been a decline although the current year looks very promising.

After two years of the treaty, Canada is selling Australia about $3 of goods and buying $1; and New Zealand about the same. On the whole trade between Canada and the two dominions has increased. In comparison with 1924, trade with Australia has increased from $20,000,000 to $25,000,000; and with New Zealand from $15,000,000 to $18,000,000.

Is the treaty responsible for this increase? Canada, under the treaty, gave preferences on raisins, dried currants, mutton, canned meats, butter, onions, canned fruits, lard, tallow, eggs, cheese, and wines. In return, Australia gave Canada concessions on salmon, newsprint, automobiles and parts thereof, corsets, rubber boots and shoes, leather gloves, printing machinery, iron and steel tubes, plimsols and goloshes. Canada's exports to Australia on treaty commodities since 1924 have been as follows:

Exports to Australia

	1924	1925	6 mo. ending Sept. 30, '25	6 mo. ending Mar. 31, '26	1927	6 mo. ending Sept. 30, '27
Salmon	$ 785,922	$1,978,814	$207,849	$1,353,322	$2,062,632	$ 426,069
Newsprint	156,293	51,183	7,587	926,367	2,542,400	1,851,551
Automobiles and parts	6,971,862	858,372	362,619	3,196,234	4,871,683	907,153
Corsets	161,615	101,428	39,227	46,485	79,425	18,012
Rubber boots and shoes	28,433	31,547	13,829	31,706	60,487	24,804

The following treaty items were not exported from Canada in sufficient quantity to be separately classified in the trade statistics: Leather gloves, printing machinery, and iron and steel tubes. It should be noted, in connection with exports of newsprint, that in earlier years Canada exported to Australia as follows: 1921, $4,256,850; 1922, $2,434,361; 1923, $2,274,045. It is apparent that the expansion of Canadian exports to Australia has been very small, scarcely more than one million between the years 1924 and 1927.

Here are the imports from Australia, within the treaty, for the same years:

Imports from Australia

	1924	1925	6 mo. ending Sept. 30, '25	6 mo. ending Mar. 31, '26	1927	6 mo. ending Sept. 30, '27
Raisins, lbs.	29,592	158,458	37,184	38,371	824,691	1,137,740
Dried Currants, lbs.	nil	219,340	167,683	429,591	933,112	2,799,328
Mutton, lbs.	139,967	117,969	29,567	185,683	895,268	567,156
Cold Meats, lbs.	56,412	40,622	63,562	38,964	140,875	46,005
Butter, lbs.	nil	nil	nil	2,485,502	801,324	57,288
Onions, $	nil	nil	nil	nil	nil	$29,488
Canned Fruits, lbs.	13,337	45,500	15,850	2,636	107,541	14,996

Unclassified Items

The following treaty items did not enter Canada in sufficient quantity to be separately classified in trade statistics: Lard, tallow, eggs, cheese and wines.

While the table of imports is given, for the most part, in terms of pounds, it is quite clear that imports from Australia, within the treaty, more than account for the increase in total trade in the past two years. And yet, if the figures are studied, it will be observed that there is no stability to this increased trade. It is true that Australia is finding a gradually growing market in Canada for raisins and mutton. Imports of these items seem to be expanding gradually but surely. The same applies to canned meats and fruits. However, all four commodities are imported into Canada in such minute quantities, in relation to Canada's total importation, as to be of little importance. The fact is that Australia has made sudden inroads into the Canadian market and each time has retired just as suddenly. In the latter half of 1926 (fiscal year) imports of butter jumped from nil to 2,485,503 lbs. In 1927 these fell to less than one-third of that amount. Again, in the present year, Australia sold 2,799,328 lbs. of currants in Canada. This was owing, in great part, to the partial failure in the currant crop in Greece, due to heavy rains and a plague of grasshoppers.

Automobile Market

From the Canadian point of view, the treaty was calculated to secure wider markets in Australia for automobiles and newsprint, mainly. How these commodities have been affected has already been shown. Compared with the years before the great shipping strike in Australia, there have been no great increases. The future of the automobile market is, indeed, very uncertain.

All things considered, it would be very easy to over-estimate the value of the treaty to Canada, and Canadian exporters would have small cause to lament if the treaty should be destroyed.

BUFFALO PERTURBED AT WANING GRAIN EXPORT FROM CANADA

(Continued from page 1)

is expected to rival in all-year efficiency the port of Buffalo. Kingston or Prescott, located at the end of Lake Ontario will probably be the Canadian choice."

Quotations are made from the bulletin of the Canadian board of railway commissioners of September 12, 1927, in which the wheat export trade is analyzed and the statement is made that in the crop year 1925-26 Canada paid to United States seaports not less than $15,000,000, The Buffalo committee makes the following comment:

"In addition to 122,000,000 bushels of Canadian wheat exported from Atlantic ports in 1925 and 1926, 20,000,000 bushels of Canadian barley, amounting to 58 per cent. of the Canadian exports, also went from United States Atlantic ports through Buffalo. Five million bushels of oats also were similarly exported, being 16 per cent. of the Canadian exports. Altogether the exports of Canadian barley and oats from United States ports were equal in tonnage to 20,000,000 bushels of wheat (Canadian grain).

"One hundred and thirteen million bushels of Canadian grain were exported through the ports of New York, Boston, Philadelphia, Baltimore and Norfolk during 1926. These ports are in competition with each other and all of them in competition with Montreal. This grain for the North American seaboard passes through Buffalo elevators and was handled by seven trunk line railroads and the barge canal between Buffalo and these North Atlantic ports.

"One of the major problems confronting the city is the possible effect on commerce of the port of Buffalo of the recent order of the Canadian Railway commission ordering a reduction in export rates on grain from Fort William and Port Arthur and the Georgian Bay ports to Quebec. This order by the Dominion commission is evidently intended to ascertain whether low rates by rail transportation can succeed in bringing to Canadian rail carriers the traffic which the lake transportation companies now seem to hold so securely."

"If the plan succeeds it will evidently take from Buffalo a substantial amount of the business of the port which will be carried by rail from the head of the lakes to the ports of Montreal, Quebec and Saint John."

Outside the export trade, however, the committee looks for a considerable increase in receipts of Canadian grain at Buffalo for the domestic market. It says on this point:

"The concentration here of the flour milling concerns using large quantities of Canadian spring wheat presages an increasing importation of such grain commensurate with the increase in population of the already densely populated area of which Buffalo is the distributing point. To other flour mills lying within this area, wheat and other grains should continue to move through this port.

"Conceding that ultimately, through diversion to Canadian and other ports, a decreasing quantity of Canadian grain for export may be expected for distribution through Buffalo, we must, on the other hand, prepare for not only an increasing distribution of Canadian grain for domestic use, but an ever-growing industrial development in other commodities. The amount of Canadian grain consumed in this country is bound to increase."

For the retention of the carrying trade in export grain the committee looks principally to the time advantage. It quotes Axel Hanson, president of the New York Produce Exchange, as follows:

Principal Gateway

"The excellent railway facilities between Buffalo and New York make it possible to deliver grain from Buffalo elevators to the ocean steamers or tidewater mills in less than 30 hours, which in practice means that Buffalo might be considered within the lighterage district of the port of New York. If slower transportation is desired, the grain can be shipped from Buffalo through the state barge canal at reduced rates. The paramount advantage of such delivery is obvious when we consider that Buffalo is the principal gateway, not only for the port of New York, but for the entire eastern districts between the Great Lakes and the Atlantic from province of Quebec to Virginia."

The committee adds as its own opinion:

"Regardless of cheaper carriage rates through Canadian territory to Canadian Atlantic ports, the quick time in which grain cargoes from Buffalo may be made available at American North Atlantic ports has been an important factor in making Buffalo the distributing centre for Canadian as well as American grain."

It should be added that this local committee anticipates and may represent some rivalry to a more ambitious project that is under consideration by the state. This contemplates the creation of a Port Authority for the entire Niagara frontier under state control. The purpose would be to consolidate improvement plans for the district from Buffalo to Niagara Falls and undertake development on a much broader scale than could be carried out by a single city. A committee to investigate the practicability of the plan has been at work during the summer and the matter probably will come before the next session of the New York Legislature.

SPECULATION RUNS UP CAN. FORD STOCK

High Point of 725 Reached by Shares in Brisk Trading

The only outlet for public speculation in the resumption of Ford operations and possible success of the new models was utilized to the fullest extent in the Ford Motor of Canada shares. From a low this year of 393 and a low in October of 531 they have advanced to 725, sagging back to around 600.

The company is lightly capitalized for 70,000 shares of stock of $100 par value. The Fords, father and son, are supposed to own 65 per cent. and 70 per cent. of the capitalization so that the floating supply available for trading purposes is small.

The company holds its annual meeting Dec. 12 and at that time it is barely possible that some inkling may be given of the results for this year, although the company now reports for the calendar year. In any event, some expression will undoubtedly be made as to conditions and outlook.

Latest figures for the Canadian company are, of course, stale, inasmuch as they cover the 1926 calendar year. Then the profits were $5,341,177 after all charges, equivalent to $76.30 a share. Previous report covered five months ended Dec. 31, 1925, for which period the profits were $974,316, equivalent to $13.91 a share.

Inasmuch as the company has been out of production since May and has been under the necessity of tooling up for the new model, involving heavy expense, report for this year is bound to show at great disadvantage compared with previous years. Earnings are certain to show a sharp falling-off compared with 1926.

At the end of last year Ford Motor of Canada reported a plant account of $20,594,000 and net quick assets (assuming investments are liquid) of $23,887,000. In other words, a book value—patents being carried at $1, of $44,481,000—of $635 a share.

FARMERS' DAIRY PROFITS

Last year the Farmers' Dairy Company paid in dividends $70,000, of which $49,000 was for preferred stock and $21,000 for common.

Favorable developments on behalf of shareholders is accounted for by the excellent past earning power of the company. Sales in 1926 amounted to $3,436,390. Operating costs were $2,708,457, and other charges, including delivery, $369,485; depreciation, $43,680; advertising, $32,906, and office expense, $91,912, left profits applicable to dividends of $189,947. After preferred dividends, the residue left for the common was equal or better than 40 per cent. on the present common and better than $2 per share on the new common. It is understood that sales and profits for the year 1927 have been much better than in 1926.

Hanson Brothers to Build

MONTREAL.—Hanson Brothers have purchased property on St. James Street, Montreal, where they will erect a new building to be designed for the exclusive use of the owners. Hanson Brothers are also negotiating for the purchase of the Benson and Hedges building which adjoins the property already acquired.

NATION'S BUSINESS

(Continued from page 1)

are still going across the line in thousands. Lower taxation, ample employment and high wages keep them in this country. All three are possible with good leadership at Ottawa. The country gave support to the Progressives and Liberals in the last election, and we think, as between Conservative and Liberal policies, they voted soundly. The Liberals have selected Mackenzie King as the chief executive officer of Canada. The country, through them, has placed upon Mr. King serious responsibilities. So far, Mr. King's activities have been directed to constitutional questions and similar problems. As we understand the views of Canadians, they expect him now to take some very definite action towards cutting out governmental wastes, effecting more economies, drastically reducing taxation still further and promoting plans for more production at high wages for holding our people in Canada.

* * *

HON. JOHN MARTIN, Ontario's farmer cabinet minister, told the Woollen Manufacturers last year that the farmer's attitude towards industry was becoming more friendly in the last few years, but the manufacturers had still some way to go. This era of improved relations corresponds to the period when Colonel Arthur Hatch, J. H. Fortier, John M. Taylor, successive presidents, took over control of the C. M. A.. The Canadian Woollen and Knit Goods Manufacturers' Association, under Douglas Hallam, secretary, has also played an important part in the good work of bringing agriculture and industry together.

Last week, Hon. Howard Ferguson himself told the Ontario manufacturers:

"There is a feeling, rightly or wrongly, existing in the rural sections that the interest of the manufacturer is antagonistic to the interests of agriculture. Knowing as I do that this is not true, and that it is not your purpose that that feeling should exist I believe one of the best things you could do to bring about sympathetic co-operation towards general activity and extension in all our industry, agriculture included, would be to establish an agricultural division or branch in the Manufacturers' Association. I believe when there are differences of opinion if you were to sit down with some of the leading farmers belonging to your association with your feet under the table and discuss your differences you would arrive at conclusions that would be acceptable under those circumstances that perhaps are not now."

* * *

A FORMER Ontario Cabinet Minister, on reading in this column last week that certain Canadian book paper-makers were putting a tax of 35c. on every dollar's worth of high grade paper and 25c. on every dollar's worth of the next grade on Canadian literature, expressed amazement. He had been very close to this situation during his term of office and said, "Canada has the cheapest pulp and the cheapest power in the world. There must be something wrong with the situation when they are able to-day, through special tariff protection, to collect these excess prices. When the mills were small, running on many varieties of poper and doing not more than 25 tons a day, they were earning from 25 to 70 per cent. profit on the investment."

Imperial Tobacco Would Gain from Tax Reduction

MONTREAL.—In a summary of the situation surrounding the Imperial Tobacco Company of Canada, McCuaig Brothers and Company say that it is expected that the next budget will include substantial reductions in the excise duty on cigarettes. Regarding the effect of any reduction in the tax on cigarettes, the bulletin says:

"Imperial Tobacco stands to benefit very materially, as the high excise tax in force since the war has had the effect of raising the price of cigarettes to such an extent as to put a premium on smuggling from other countries, where the cost of cigarettes is materially lower than in Canada, and in recent years this practice has increased to enormous proportions. Owing to this cause and to the fact that the high cost of cigarettes has diminished consumption, the company's sales have been considerably less than would otherwise have been the case. A lower excise tax would tend to put an end to smuggling, and to increase consumption, and the benefits which would thereby accrue to the company should find reflection in the value of its shares.

"Imperial Tobacco from an investment standpoint is entitled to rank with the higher grade of Canadian industrial stocks and would seem in addition to offer excellent prospects of future enhancement in value."

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TORONTO, DECEMBER 9, 1927

PRIVATE MONEY AND MINES

THE Western Producer, out in Saskatoon, thinks that the people of Manitoba would have been better off to hold their resources for another quarter century rather than let the Whitney's pick up the Flin Flon and other assets. Poor benighted Manitoba will dance merrily to the tune of the $30,000,000 of the Whitney interests! Great wealth will be brought to a few but the people of Manitoba will not get any of it! So argues the Producer in urging that the resources be held for and developed by the people.

The people of Northern Ontario have been made prosperous, happy and contented by the investment of private funds in the mines of the Temiskaming belt.

The people of Quebec have had their prosperity increased by the investment of private funds in the development of water power.

Russia has gone to the demnition bow-wows in a mad attempt to pursue the principles urged by the Western Producer.

When private capital, properly regulated and paying proper tribute to governments, develops natural resources it adds to the wealth of every one in the country. The $30,000,000 of Whitney money will be spent for cement, steel, machinery, wages, and services and supplies of a hundred varieties. Most of it will be spent in Canada. Every community in Canada will get part of that $30,000,000.

The Western Producer's editorial should have run in its "Bugs" column.

CANADA IN THE STATES

WHY Sir Hugh Denison, Australian commissioner to the United States, resigned his post and is returning home will probably remain a mystery until more definite information leaks out at Canberra. Despatches from Australia said that Sir Hugh has been disappointed at the result of his work in the United States and chagrined by lack of recognition by American officialdom. Sir Hugh, in New York, denied this.

Sir Hugh, it is understood, will make recommendations that are likely to lead to a complete over-hauling of Australia's system of representation in the United States. This may seem to suggest the appointment of an ambassador as Canada now has in Washington.

There has been discussion recently in Canada of this country's representation across the border. Canada has a minister at Washington who is attempting to do a big job but who is no doubt, restricted by lack of time, money and machinery in accomplishing much propaganda and contact work of a commercial nature. Canada has also a commercial attaché at Washington, working with Mr. Massey, and a trade commissioner in New York. The representation is probably inadequate. But no increase in this representation should be made without a careful survey of the situation. While at first glance it would seem that a larger number of trade commissioners in the United States would be advantageous to Canada a more careful study of the situation might reveal that the cost of such additional trade emissaries would exceed the benefits to be gained.

Prima facie, the case is in favor of better trade representation in the United States. The United States has consuls in every part of Canada to handle trade relations with a people of a country of 10,000,000; Canada has one trade commissioner and a commercial attache in the United States to handle trade relations with 120,000,000 people.

MORE HARMONY

THE recent fight between Montreal Light, Heat and Power Consolidated and the municipally owned system of the city of Westmount, has had far-reaching effects. The war between the privately and publicly-owned utilities resulted in a reduction in power prices in Westmount below those prevailing rates in Montreal, which surrounds Westmount on all sides. The result has been that Montreal Power is now faced with a demand from the city council of Montreal for a reduction, not only in power rates, but in gas as well.

Experience has shown that the privately-owned power companies can give more adequate and more efficient service than publicly-owned utilities. But it is also true that all Canadians have not as yet realized this fact; hence, the widespread though diminishing support of publicly-owned projects in this country.

Engineers can provide the facts which prove that a corporation can provide a better and cheaper service than a publicly-owned utility. But it requires philosophy, and not engineering, to provide the wisdom to handle a situation in which the interests of a privately-owned organization run counter to those of a publicly-owned system.

In Winnipeg and in Ontario both public and private undertakings are learning the lesson that the best results can only be obtained by co-operation. From the angle of the shareholders of Montreal Power it is to be hoped that for the future there will be less fighting and more harmony between the two operators, irrespective of the merits of either's case.

OTHER WAYS OUT

STATE socialism is sometimes defended as the only way out of an insufferable situation. That was why so many business men, who had no sympathies with public ownership, gave their support to the Ontario Hydro-Electric System in its early and formative days. These men had certain misgivings as to public ownership of power development in Ontario but they recognized that the group then in control of power development in the industrial heart of the province were men of short vision who were giving indifferent service without much regard for public good will. Public ownership seemed to be a way out of the trouble.

To-day there are those who argue that nationalization of the mines of Great Britain is the logical remedy for the unhappy condition of these basic elements in British industrial prosperity. The mine workers have suggested nationalization to the government.

Nationalization is not the solution of the coal mine problem of Britain any more than public ownership was the best solution of the power problem of Ontario. Ontario could have encouraged competitive and public-spirited private interests, as Quebec has done, and had cheaper power than it has to-day without the heavy financial burden it is now carrying.

An even better way out of the power problem would have been solutions devised by the power magnates of the early days—Nicholls, Mackenzie, Pellatt and their associates—had they been men of vision. If they had themselves foreseen that public opinion would eventually turn against them and had attempted to give progressively improving service there would have been no Hydro system today. In view of the Ontario precedent it is reassuring to note that there is an attempt in Britain to find a solution of the coal mine tangle from within the industry. Far-reaching proposals for the curtailment of output and the control of export trade are being formulated by the leading mine owners.

Self-government in business is vastly to be preferred to government in business.

NOT A SQUARE DEAL

OUR recent editorial, protesting against the feeling many people have that the American tourist is a legitimate source of excess profits, has brought from such a tourist a statement of his adventures. This is published in the "Letters to Editor" column this week. This man, a Canadian now living in the United States, found that his American license plate increased the cost of his garage work wherever he went in Canada.

Not long ago a Canadian who was in Buffalo on business borrowed an American car from a friend to run back to Toronto for a few hours. Near Oakville, Ontario, he had a punctured tire and called a garage man to repair it. The garage charged $3.50 for the job. He had come about a quarter of a mile from his garage to do it. His charge would have been 75 cents or $1 if the car had had on a Canadian license plate.

Tourist business means much to Canada and we want to protect it. One way to protect it is to give a square deal to every tourist. The provincial governments might well exercise some supervision over the treatment given by merchants, garage keepers, etc., to tourists. Dictatorial regulations are not necessary; merely educational work and an appeal to fair play.

GUARD THAT RECORD

ONTARIO spent rather wildly following the war, putting money into hydro-electric, highway and other public developments at a pace that indicated some lack of regard for the future. The unhappy results were a very large increase in the provincial debt and an era of deficits. The deficit was $15,000,000 in 1923; $8,500,000 in 1924; $5,000,000 in 1925 and $800,000 in 1926. This was a sorry record for the most populous and wealthiest province in the Dominion.

Ontario has recently been doing better. The reward of five years of very careful financing, aided by growing prosperity in the country, is being reaped. For the year to October 31, the province had a surplus of nearly $300,000, indicating that the turn in the province's financial affairs has come. During the year, over $3,000,000 was wiped off the provincial debt, the operation of the definite sinking fund scheme instituted some time ago having been largely responsible.

The provincial treasurer can hardly hope to reduce taxes very materially until further reductions have been made in the provincial debt and yearly surpluses are assured. On the other hand, the change from deficits to surpluses should not be the signal for an early inauguration of another spending spree. Hon. Dr. Monteith, provincial treasurer, indicates that the province is "better prepared to enter the fiscal year with a continued expanding policy of public service." This is bromidic; it might mean anything. We hope it does not mean that the treasury will be unlocked. Any laxity in provincial expenditure now would spoil a fine record that the present government has made for itself.

AN IMAGINARY LINE

LAST summer Canada was moving gold to New York. There was a slight discount on the Canadian dollar and it was profitable to make payments by gold rather than by buying American funds.

Just now American gold is coming to Canada, large shipments being arranged every few days. Canadian grain is moving out into world markets, in large measure through American ports, and the Canadian dollar is quoted at a premium. American banks find it profitable to pay their bills in Canada with gold.

Now that the gold standard has been restored in Canada and there is no restriction upon the movement of gold, the annual movements back and forth across the border have become a feature of exchange transactions, preventing any decline or rise in the value of either country's dollar greater than the cost of shipping gold.

To The American Banker these transfers of gold seem to be a useless expense. They savor of the foreign exchange market and the trade and social relations of the United States and Canada are so close that money transactions between the two countries should not be considered as foreign exchange transactions, in the opinion of this American banking paper. The expense of transferring gold backward and forward between Montreal and New York ought to be avoided. The American journal is not prepared to suggest a solution of the problem but puts it up to the bankers of the two countries to work out. It foresees one difficulty in that Canada has no Central Bank with which the Federal Reserve Bank could deal directly. The Federal Reserve Bank can only deal with such institutions.

The American Banker concludes: "With the elimination of the physical gold movements probabilities are that bank operations between the countries would assume a freer nature. This is to be desired for it would be of mutual profit, not only from the banking standpoint but from the commodity exchange standpoint as well."

In many respects, chiefly sociological, the much discussed imaginary border line is indeed well described. In trade it is very real, as tariffs indicate; in politics it is no imaginary line. In banking the line is far from imaginary so long as New York funds and the Canadian dollar are the subject of barter in the exchange markets and gold shipments are made every few months between one nation and the other. But perhaps the American Banker's suggestion will be taken and the line will be made purely imaginary as regards banking transactions.

EDITORIAL NOTES

SANTA CLAUS has arrived at (fill in the name of your local department store).

• • •

UTILITY BONDS to the amount of $264,471,175 are in default on this continent, according to a list compiled by Wall Street Journal. Not one dollar of the bonds on this list is of a Canadian institution.

• • •

THE NEW YORK TIMES devoted five columns to a chess match. But its actual running account of the exciting game only took three and a half inches of that space. We do not expect to see chess matches broadcast by radio.

• • •

NEW YORK had a Coolidge market; now it is enjoying the bullish experience of a Henry Ford market. If Mussolini's ambitions begin to range beyond the boundaries of Italy, stock markets the world over may go through a Mussolini market and it will not be so pleasant.

• • •

THERE IS MERIT to the suggestion of an American public utility man, that stockholders' meetings of utility companies should be broadcast. In this way, many small shareholders would be reached, in addition to thousands of customers. The tendency for several years in public utility finance has been to give more and better information to stockholders and customers.

• • •

THE FINANCIAL POST seemingly made a reference last week to those who "speak in Quebec French." This might be regarded as an insult to the French-Canadian people, who speak in the purest French. We hasten to assure our many friends in Quebec that the reference was based on that eternal bane, a typographical error. The passage should have referred to those who "speak, in Quebec, French."

FOLKS and Finance

CONTRASTED types are Sir Vincent Meredith, who gives up the presidency of the Bank of Montreal, to become chairman of the board and Sir Charles Gordon, who succeeds him as president. Sir Vincent is a man of quiet dignity; cautious but not hard-fisted or gruff; and slow to become enthusiastic as sixty years in the Bank of Montreal have made him; but courageous when convinced. A believer in higher education and social development as factors in success; given to the pursuance of philanthropies; just such a man as should be chairman of the Bank of Montreal.

Sir Charles Gordon is not at a directly opposite pole in each of these respects but he is nevertheless a different type. He has less dignity but more reserve; he is taciturn but when he speaks says a tremendous amount; believes in hard work and business contacts as the proper training for boys; is exceedingly embarrassed when his name is connected with charitable or public work; is primarily the shrewd business man, conquering obstacles quietly and without emotion. He is the financier-industrialist; just such a man as should be president of the Bank of Montreal.

SIR Vincent Meredith is one of a family of successful Merediths. Seven Meredith brothers have climbed into "Who's Who." Three of the previous generation, the father of the seven and two of his brothers, were also there. Chief justices, University principal, lawyer, stock broker, banker, all of these professions were represented in the two generations.

The courtly gentleman, who now becomes the Bank of Montreal's chairman, has been with that institution sixty years. He was in a large measure responsible for its success in that period. He started as a junior, living over one of the branches. Eventually he became general manager and then president.

SIR Charles Gordon has spent a life time in one industry — textiles. Coming out of high school he went to work with a dry goods house in Montreal. But inside of the three years, before his wage had grown above $12.50 a week, he decided to become a manufacturer and started the Standard Shirt Company. The rest is history. The textile industry was on the rocks. The Bank of Montreal was involved in many companies. It sought out the young manufacturer and asked him to reorganize Dominion Cottons, which a big New York investment house had said they would not take as a gift. He merged the leading companies and made a success of the resulting company, the Dominion Textile Company. Later he bought Penmans. The Bank of Montreal and the textile industry have been his big jobs ever since. His promotion to the presidency of the bank is a logical development of his years of intimate contact with the bank, that started with the textile merger.

ON THE board of directors of the new Armstrong, Whitworth-Vickers merger in Great Britain are two ex-Canadians. One is E. R. Peacock, Toronto school master, who has become a world figure in finance, and was for a time director of the Bank of England. The other is J. Frater Taylor, formerly of the Algoma Steel Company at Sault Ste. Marie.

Mr. Peacock was on the board of governors of the Bank of England when the Sir W. Armstrong-Whitworth Company got into financial difficulties through over-expansion. The Bank of England was deeply involved. Although its policy generally was against the financing of industrial developments, the quasi-public nature of the Armstrong-Whitworth Company's activities, it being next thing to a government institution, forced an exception in this case. Mr. Peacock was designated by the bank to represent it in untangling the Armstrong-Whitworth affairs. This brought him in close touch with the Newfoundland Power and Paper Company for this company was one of the enterprises that had brought about the Armstrong-Whitworth difficulties and to it directly the Bank had loaned a million pounds. Mr. Peacock bethought himself of Mr. Taylor, whom he had know previously, and asked him to make a study of the Newfoundland company. His good work there took Mr. Taylor into the bigger task of looking into the Armstrong-Whitworth position. Those on the inside say that these two ex-Canadians were largely responsible for this recent gigantic merger.

Letters to the Editor

Treatment of Tourists

Editor, The Financial Post:

I want to express my approval of your editorial "Poor Business," in the issue of November 18, and to make my reason plain will give you some of my own experiences during last summer. I am a Canadian who has lived in the Western States for many years but still have in Canada the old home where I lived as a boy, and some of my family spend a part of each year there. As I wished to use a car and did not care to drive one from here, and as it seemed impossible where I was to make a deal for a second hand one for the season, I went to Syracuse, N. Y., and got one there, thus was using a car with an American license all summer. I had to have a little work done on the starter of the car and the mechanic who is a first class one, told me while it might last for a long time should I be in Toronto to have a new part put on. He gave me a note stating just what was wanted. My wife and daughters went to Toronto, took the car to the people who are general agents for that district gave them the note, told them where they were stopping and the phone number with instructions if they thought anything more was needed to call them up before making any repairs. When they went for the car the next morning were presented with a bill which was very much more than it should have been. On protesting the man in charge said nothing was told them about the repairs, when asked to refer to the service card it showed the street address, telephone number and instructions, another man was called in and "the cat came out of the bag," as he said they saw it was an American car and fixed it accordingly, the manager was also called in but declined to make any change.

The mechanic who gave me the note and warning and who was familiar with the job and the car, told me it was a hold up. The service man here who handles the same make of car of which I have had three, told me the same thing, so I believe it.

On the same trip they went to Stratford there took the car to a service station for battery attention, were told to leave it and get it in the morning. On going for it were presented with a bill for storage, but my son-in-law who had formerly lived there, told them it was not right, as the car could as well have been in his brother's garage, the reply was "All right, we saw the American license." On learning these things my first reaction was disgust at our traveling two thousand miles to have the women taken advantage of. The next and more serious was, when my American friends ask about touring in Canada, what can I tell them "the finest country in the world but look for overcharges" that would go against the grain and be a rank injustice to most Canadians.

With this explanation you can understand why I approve of your attack. From it, my experiences is evidently one of many. From a business standpoint the people concerned were losers, as I had so highly recommended the cars I have been using that one of my Canadian friends was considering one, but after my experience, as Toronto would be his service supply point, bought another car.

J. D. MATTHEW.

Albuquerque, New Mexico,
November 28, 1927.

Book Reviews

"Auditing Theory and Practice

"More and better auditing" seems to be the slogan of Robert H. Montgomery, author of this book, a standard reference work on the subject. Mr. Montgomery has just brought out a fourth edition of his comprehensive work. This is a complete revision reflecting the sweeping changes of the past half dozen years, not only in accounting, but in banking, finance, credit, and related fields.

For this new fourth edition, Mr. Montgomery has gone over every paragraph of the book, shifting emphasis, making necessary qualifications, inserting fresh observations from experience. Mr. Montgomery is an acknowledged leader and spokesman of his profession, a member of an internationally known firm of accountants. The volume is a summary of what professional accountants regard as the best accounting, business, and financial policy under to-day's conditions. Over a period of fifteen years, in three successive editions, this work has established a record for widespread practical use which no other book in the field even approaches. 65,000 copies have been bought by men in every type of responsible position.

The volume runs to 900 pages. It is published by Ronald Press Company, New York, at $6.

Comments

Remarkable Remarks by Interesting People

Viscount Rothermere: "Now that the German navy is at the bottom of the sea, it is a matter of total indifference to Britain to what extent the United States increases her armaments."

Roy Olmsted, Washington booze baron: "Rum running does not—cannot pay. And that goes for any other criminal enterprise. You can't tread on live coals without getting your feet scorched."

Rt. Hon. D. Lloyd George: "My articles appearing in almost every great country of the world, my emoluments from this source in four years have been much greater than my aggregate salaries during seventeen years of office."

Premier Bracken, Manitoba: "The Flin Flon mining area may become the great copper producing territory on the whole continent and may well be the scene of the greatest development in Manitoba which anyone now living has ever seen."

John D. Rockefeller, Jr.: "Character is the foundation of successful business. Some people confuse reputation with character. Reputation is what people think we are; character is what we really are. A good reputation for an individual or business concern is to be desired; far more so a character that is beyond question."

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"Stop Me If You've Heard This One"

Bible Class Teacher—Now, which of you children can tell me who it was that fed 5,000 people on seven loaves of bread and—

Tommy (shouting from the rear of the room)—I bet it was the feller that makes the sandwiches down at the drug store.

Investment Consultation

IF you are in doubt about the safe investment of your money (whether it be a small or large amount) do not hesitate to consult us.

By so doing you incur no expense whatever, and place yourself under no obligation to us.

Correspondence Invited.

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BANK OF TORONTO BUILDING
TORONTO
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Free Gift of Space
To Mr. Henry Ford of Detroit

It is an illuminating sidelight on the value of paid space advertising to reflect that despite the reams of free space newspapers have given to the conception and birth of Mr. Ford's new car, he has appropriated a colossal sum to advertise it. I have heard—I don't vouch for the accuracy of the matter—that the amount is $5,000,000 for next year.

No doubt Mr. Ford could sell many cars without a line of paid space advertising; but the money that he will spend to put his new car on the market will probably return him dividends a hundredfold.

I salute him. Lesser men would have been content to retire upon the proceeds of Model T. But he, at more than sixty years of age, tackles a new problem and has the world and his wife by the ears —to say nothing of his competitors.

It takes courage to advertise—or to achieve anything else that is worth while. But all the world pays tribute to Captains Courageous.

Thornton Purkis

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Telephone: Adelaide 6222

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INQUIRIES INVITED

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining, insurance inquiries or sheets separate from other investment inquiries.

Ford Bankers Shares

What do you think of this proposition?

The Financial Post several times during the last two or three weeks has published articles and answers to enquiries regarding Bankers Shares of Ford Motor Company of Canada.

We have stated that the proposition is a fraud.

Automobile New Engine

What is the position of the preferred shareholders in the Automobile New Engine Corporation?

We learn from the president of the Automobile New Engine Corporation that about two years ago the assets of the company were seized and sold by auction to meet the company's current liabilities. In the sale, the funds realized were insufficient to meet any of the claims of the shareholders.

Canada Cement

Am thinking of an investment in Canada Cement common or British American Oil and would be pleased to have your opinion before making same as to which of these stocks you would give preference.

The common stock of the new Canada Cement Company is attractive for a long hold.

British American Oil is a company which has made remarkable progress in the last several years and there is no reason to believe that this progress will not continue.

The stock in this company is somewhat better seasoned than the stock of the new Canada Cement Company.

Calcutta Sweep

Can you tell me where one can get tickets for the Calcutta Sweep?

The only way you can get a ticket in the Calcutta Sweep is through a member of the Calcutta Turf Club, and the tickets are issued direct from Calcutta. Owing to the great deal of trading in these tickets during recent years the Calcutta Turf Club have made rigid rules regarding the purchase of tickets by members only. Whatever private arrangements a non-member makes with a member is naturally the private affair of these individuals entirely.

There are individuals in Calcutta who make a practice of purchasing tickets for non-members sub rosa, but it is difficult to find out their names. If you are a non-member the best thing to do is to write to a friend in Calcutta, even if he be a non-member, and get him to arrange for the purchase of tickets for you.

Roby's Products

Would appreciate your opinion as to taking shares in this company.

Roby's Products, Ltd., is a young company. The outlook is not altogether unpromising and we believe that the directors are making an earnest effort to achieve success.

However, it is well to remember that investment in young companies is speculative for the reason that the percentage of success of unseasoned stock is not large.

This, in our opinion, is a business man's investment for a small participation.

High Yield Stocks

Name me some stocks which would be a good investment giving a high yield, please.

Touching your question regarding stocks with a high yield, we feel that in view of the present buoyant market, it is hard to make satisfactory recommendations.

Some preferred stocks might interest you. Famous Players first preferred is a more or less speculative issue, but it is a company which is doing an increasingly better business and a stock which we think will appreciate perhaps a few more points. It gives you a very satisfactory yield. Belgo-Canadian preferred is an underlying security of St. Maurice Valley Corporation. This will give you a satisfactory yield. Belding Corticelli preferred might also interest you. Price Bros. preferred is an excellent investment security and Canadian Car and Foundry preferred is a business man's speculation, yielding 7.7 per cent. at present prices.

Alberta Pacific Grain preferred yields over 7 per cent. Winnipeg Electric preferred is an investment stock and yields about 6.5 per cent.

When purchasing preferred stocks you must remember, though, that they are neither fish nor fowl and that you can anticipate little appreciation, and always there is the danger of substantial depreciation.

Banker Uses Post in Advising Clients

Editor, The Financial Post:

"I look forward to your weekly publication more than any other news or financial paper. We depend upon your opinion to a great extent in advising customers as to investments."

AN ONTARIO
BANK MANAGER.

Nov. 30, 1927.

$2,670 Security for each $1,000 Bond

THE Balance Sheet of The Alberta Pacific Grain Company as at June 30th, 1927, showed fixed and net current assets and investments at a value equivalent to $2,670 for each $1,000 6% First Mortgage Bond outstanding.

Earnings for the year ended that date, after depreciation, were equivalent to 3.90 times present bond interest requirements.

With more than 300 well located country elevators in Alberta and Saskatchewan, plus terminal elevator facilities at Port Arthur, Fort William and Vancouver, the Company benefits largely from crop movements via both Eastern and Western routes.

By purchasing Alberta Pacific Grain First Mortgage 6's at the current offering price, you will obtain a sound investment yielding 5.90%.

Write for particulars.

Royal Securities Corporation
LIMITED
164 St. James Street, Montreal
TORONTO HALIFAX SAINT JOHN QUEBEC
WINNIPEG VANCOUVER NEW YORK

J-127

Gotfredson Corp.

I have seen lately Gotfredson Corporation quoted at 15 to 20, and I have 12 shares at par $25. Should I hold or sell?

I hold also 30 shares of Muirhead preferred. Is it advisable to exchange these for common?

We are informed that the Gotfredson Corporation is in an improving position. In the circumstances, it does not seem advisable to dispose of stock in this company.

At the present moment it is not advisable to exchange preferred stock of Muirhead's into common stock. The convertible privilege remains the same until next March. Circumstances may be somewhat different then and we would suggest that you write to us regarding the exchange two or three weeks before the date.

This stock is convertible into common on a share for share basis until 1929. Ordinarily, it would not seem advisable to convert this stock unless there were early prospects of a dividend on the common stock. The company is doing very well, but it is admitted that the common stock will not be in receipt of dividends for some time.

Dominion Power

Please give me your opinion of Dominion Power, of which I hold twelve shares. And what do you think of Automotive Credit bonds?

Your enquiry regarding Canadian Associated Companies will be answered in a later later.

Dominion Power and Transmission Company is making good progress at this time, and we think that over a term of years there will be appreciation in the value of the common stock. On the other hand, there is just a possibility that you would profit more quickly if you were to sell your twelve shares of Dominion Power and buy in their stead the common shares of Power Corporation of Canada. Power Corporation is a controlling company for Dominion Power, Winnipeg Electric and a number of other growing utility companies.

The Automotive Credit Corporation recently has announced that its assets have been acquired by the Credit Discount Corporation of America. Bond holders in Automotive Credit are offered common shares of Credit Discount. The exchange isn't particularly promising, but it is extremely doubtful if anything can be realized for the bonds of Automotive Credit if the company is not taken over by a stronger organization.

Definition of Rights

Will you kindly give meaning of Rights which I notice several companies are issuing? For instance, Winnipeg Electric common are quoted at 14½ a share.

Probably the best method of defining what are stock rights is to cite a simple example.

If you held one share of stock of Hiram Walker, Ltd., you would at this time be given the right to subscribe for one new share of stock out of the treasury of the company. You would pay $50 for this one share. The profit to you would be the difference between what you would pay the company for this one share and what you could get for this one share of stock in the open market. In this case, the average recent price of Hiram Walker has been $60, or $10 above the price the share of stock would cost you. You are allowed to buy one share for each ten you hold, so that each share you hold has a value in rights of one-tenth the difference between the market price and the treasury price of the new stock. Thus you will notice that Walker rights have been selling at $1. You have the privilege of selling the rights on your stock or taking up your stock.

On the same basis, Winnipeg Electric rights work out to the approximate market value quoted.

We hope this will be a sufficient explanation.

Brit. American Oil

I am thinking of investing about $3,000 in a good common stock. I would like something that is likely to show an appreciation over a period of one to three years.

I have in mind: British American Oil, City Dairy Co., Toronto, Canada Cement Co., Montreal Light, Heat and Power Co., and McCaul Bros. I would be glad of your advice.

British American Oil has been a satisfactory investment in the past. The management of the company is experienced, the consumption of gasoline probably will grow, and the outlook generally is satisfactory. Although present prices may be discounting the future to some extent, we think that over a term of years investment in this company will be highly satisfactory.

Similar comment would apply to City Dairy, Toronto. The common stock of this company has even greater investment merit.

The record of Montreal Light, Heat and Power Co. over many years has been eminently satisfactory to investors. Continued satisfaction for investors who are reasonably patient may be anticipated.

The new common stock of Canada Cement Co. will probably be a satisfactory investment. However, it does not rank with the foregoing at present, for the reason that the record of the new company is brief.

McColl Bros. is a company with a good record, but at the moment there does not appear to be any possibility of material profit in the stock. Apparently the company is to be sold to a Montreal group at $65 a share.

Muirhead's

As regards Muirhead's, Toronto, preferred and common, is this a safe stock?

Muirhead's Cafeteria, Toronto, is making satisfactory progress and we think that the preferred and common stocks should be a good investment over a term of years. The preferred stock is perhaps the more attractive at the moment, because it is convertible into common and because there is a good current yield.

Telfer Biscuit Co.

The National Biscuit Co. purchased the plant and goodwill of the Telfer Biscuit Co. Are the preferred stockholders of the old Telfer Co. losing anything, or are the National giving them stock in place of it? Is the preferred of any value, and how would you dispose of it?

We are informed that a letter will reach you within the course of the next week or ten days which will tell you what you are to receive for your stock in Telfer Biscuit Company.

Hayes Wheel

In your issue of Jan. 3 last, you described the common stock of Hayes Wheel and Forgings as attractive for a hold. Are you still of the same opinion? Also whether Cosmos common are good for a hold as compared to Hayes?

Hayes Wheel and Forgings common stock is still somewhat attractive for a long hold. In common with all other manufacturers of automobile accessories, the factory has not been operated at capacity in recent months, although the first half of the current year was the busiest in the company's history. We are informed that both factories of the company will be in full operation again before the end of the year.

The question as to whether or not the Ford wheels are made in the Ford factory is of little importance to this company, in view of the fact that it never obtained a very large proportion of the Ford business. So long as the new Ford car does not pull all the other manufacturers out of business, which is improbable, we do not think that the outlook for Hayes Wheel is unfavorable.

It is rather difficult to compare Hayes Wheel common with the common of Cosmos Imperial Mills. Cosmos, we are informed, will do about as well this year is it did last, while Hayes Wheel earnings will be somewhat less than last year. In the circumstances, there does not appear to be any reason for a switch and if you are not looking for a quick turn in the stock of Hayes Wheel you probably would be well advised not to sell.

Automotive Credit Corpn.

I am in receipt of a notice given by L. H. Read, president of the new board of directors of the Automotive Credit Corporation, to the effect that ararngements have been made with the Royal Trust Co., Montreal, for effecting the transfer and exchange of Automotive Credit Corporation bonds. The bonds with power of attorney attached are to be signed by the bondholders and returned to the Royal Trust Co. I would very much appreciate any advice or information you would be kind enough to give me in this matter, as I am at sea as to what would be the best thing to do, as I do not understand the working of the Credit Discount Corporation.

Would you be kind enough to enlighten me as to the standing of the Credit Discount Corporation?

We understand that the Automotive Credit Corp. has not been actively engaged in business for many months and that the last interest payment on the bonds was made with borrowed money. The new board of directors of the company which was elected some months ago, found its affairs in such a condition that it was considered impossible to continue in active business. The assets of the corporation were not in a liquid position, and credit could not be obtained from the banks. The directors thereupon entered into an agreement with the Credit Discount Corp. of America, whereby the latter agreed to take over certain assets of the company and to issue in payment a sufficient number of its shares to provide for the payment of debts and for the liquidation of the claims of the bondholders. This transaction was ratified by the directors and confirmed by the shareholders.

The Credit Discount Corporation of America is a United States corporation with head office at 15 East 26th St., New York. We do not keep in close touch with United States companies and are not prepared to pass an opinion upon them. We understand that the bondholders of Automotive Credit Corporation are to receive one share of the common stock of Credit Discount Corp. of America for each $100 bond of Automotive Credit Corp., Ltd., held by them. The common stock of the Credit Discount Corporation is paying a dividend of $4 a share, per annum. It is said that the company will advance this dividend rate to $6 per share sometime after the new year. These shares are not listed, so that their market value is very difficult to obtain under the circumstances. In view of the fact that it pays a $4 dividend, it should have a value of at least $40 to $50 a share. We understand that if the directors of Auotomotive Credit Corp. had not put this deal through, the company would have been forced into liquidation and the bondholders would not have received more than 25 cents on the dollar. Under the circumstances, we are of the opinion that the only thing you can do is to accept the offer that has been made to the bondholders. We do not know if there is a ready market for the stock of Credit Discount Corporation but it might be to your advantage to dispose of the shares you will receive in exchange for your bonds at the first available opportunity and invest the funds in some reliable company with a well-established record of earnings.

When Women Invest

Kind of Securities Women Should Buy Depends Upon Their Circumstances Just as in Case of Men

A Weekly Feature.

What kind of securities should women buy? Usually wcmen are enjoined not to buy anything but sound bonds. This is not a complete investment policy to cover the needs of all women. Circumstances alter cases in women's investments as in investing by men.

Some letters answered this week gave specific advice to fit individual cases.

Bonds For a Widow

Would you please give your opinion as to best list of bonds for a widow, with no other income, to invest in, who has around $9,000?

We believe the following list of bonds would meet the requirements of your client. In making the selection, we have considered safety of principal rather than attractiveness of yield. We think, however, that the return on these bonds will prove as high as can be expected from absolutely gilt-edged securities at the present interest rate.

Dominion of Canada Guaranteeing C.N.R. 4½ per cent. bonds, due September 15, 1954, price 99.50, yield 4.55.

Dominion of Canada guaranteeing C.N.R. 4½ per cent. bonds, due July 1, 1957, price 99.50, yield 4.55.

School Municipality of Grand 'Mere, Quebec, 5 per cent. bonds, due June, 1940, yield 4.9.

Bell telephone five per cent. first mortgage bonds, due June 1, 1957, price 103.25, yield 4.85.

C.P.R. 4½ per cent. note certificates, due December 15, 1944, price 98, yield 4.63.

Gatineau Power, five per cent. first mortgage bonds, due June 1, 1956, price 99, yield 5.10.

Montreal Light, Heat and Power, five per cent., first refunding bonds, due Oct. 1, 1951, price 102, yield 4.85.

Newfoundland Light and Power, 6½ per cent. first mortgage bonds, due June 1, 1949, price 104, yield 6.15.

Fraser Companies, six per cent., first mortgage bonds, due January 1, 1950, price 102, yield 5.85.

Bay-Adelaide Garage

I come to you again for advice, this time about "Bay Adelaide," the new garage going up in Toronto. A broker has been asking me to buy this for some time, but I would like to know what you think of it as an investment first?

Real estate mortgage bonds are an attractive investment on account of their high yield, but we would not care to recommend an unseasoned bond as a purchase for a woman who would necessarily be dependent upon the income.

Many real estate bonds are a good investment, but there is such a lack of uniformity in the manner of financing real estate undertakings, appraisal of lands and buildings, and other fundamental features, that considerable caution is required before investing in real estate mortgage bonds.

The first mortgage bonds of the Bay-Adelaide garage are of a good type but are not yet proven sufficiently for a woman.

Bank Shares For Widow

Do you think the shares of the Bank of Montreal are a satisfactory holding for a widow? Do you believe that the shares will appreciate?

The shares of the Bank of Montreal are a sound investment which should appreciate over a term of years with the general agricultural and industrial development of the Dominion as a whole. As it is the largest bank in the Dominion, we believe the stock would be a good long hold for a widow who could regard the holdings as one of the foundations in her investment program.

In the immediate future, Bank of Montreal shares may go up or they may go down. We do not know which they will do. But for a long hold, the shares are well worth holding, we believe.

Oil Stocks

Would you advise a woman to purchase the shares of B. A. Oil, Imperial Oil and International Petroleum? I have been advised to do so.

We would not advise you to buy oil or other speculative stocks unless you have built up a very substantial foundation of sound bonds and sound common stocks which give every indication of appreciation over a term of years.

However, if you feel that you can afford to speculate, we believe that over a term of years there will probably be a satisfactory appreciation in stocks such as Imperial Oil, International Petroleum, and British American Oil.

Asbestos Corporation

Do you think that the preferred shares of the Asbestos Corporation would make a satisfactory investment for a woman?

We believe that Asbestos preferred is an investment suitable for a man because it is a non-cumulative preferred stock. Our opinion is that the earnings of the corporation will be quite sufficient to meet and to pay its preferred dividends. Nevertheless, we do not consider it a suitable investment.

Selected Securities for December Investment

Selected to afford desirable diversification, and to meet the special requirements of individual investors, the December list now ready gives such detailed information on each security as makes prompt decisions entirely feasible. A copy will be sent on request.

Please ask for List L4.

Greenshields & Co
Members Montreal Stock Exchange
17 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 24 King Street W.
OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street
251

CAN YOU PICK MEN?
Your ability to choose the right man for the right job makes you a really great executive. Let me assist you through an analysis of the handwriting of men for new positions. Many Canadian executives find this service invaluable. Send specimen of handwriting to Psycho-graphologist, P. O. Box 701, Ottawa, Ont. Full fee $3.00. Prompt reply.

New Bond List—
Re-investment Suggestions

Holders of Victory Bonds which matured on December 1st will prevent loss of interest by re-investing immediately. Our December Bond List offers a broad list of securities which should meet the requirements of such investors.

Copy will be gladly furnished upon request.

Wood, Gundy & Company
Limited
Winnipeg 36 King Street West Montreal
Hamilton Toronto New York
London, Ont. Telephone: Elgin 4321 London, Eng.

CANADA PERMANENT MORTGAGE CORPORATION
Quarterly Dividend

Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of
TWELVE PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
TUESDAY, THE THIRD DAY OF JANUARY
next, to Shareholders of record at the close of business on the Fifteenth day of December.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, November 16th, 1927.

THE NATIONAL CITY COMPANY CANADA

Canadian Pacific Railway Company

4½% Sinking Fund Secured Note Certificates

Due December 15, 1944

Principal and interest (June 15 and December 15) payable direct to holders by cheque negotiable at par at any Branch of The Bank of Montreal, in Canada. Fully registered Note Certificates in denominations of $100, $500, $1,000, $10,000 and $100,000.

The Canadian Pacific Railway Company is universally recognized as one of the world's greatest and most efficiently managed tranportation companies. These Note Certificates have priority over junior securities, which at present market prices represent an equity of considerably over $720,000,000. A circular giving further particulars will be forwarded upon request.

Price 99.50 and interest

(Subject to prior sale and change in price)

The National City Company
Limited
Head Office—St. James and St. Peter Streets—Montreal
10 King Street East TORONTO | 204 Blackburn Building OTTAWA | 71 St. Peter Street QUEBEC

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NEW RECORDS FOR DOMINION STORES

Although actual figures are not available for Dominion Stores for November, it is reported the month's sales will show a new high record. During November 504 stores were in operation against 420 in November last year. December is usually the peak month of the year in the grocery trade, and it is reasonable to suppose that another high record in monthly sales will be established.

Personal Attention

Is given to all orders, but our service to customers only begins when the order is filled.

In addition to the usual brokerage facilities, such as *Board Quotations* and a *Private wire to the Leading Security Markets*, our service includes *Personal Advice to Customers* by telephone of the market fluctuations or prospects of their particular stocks.

Orders Executed for Cash or on a Marginal Basis

HICKEY, MEGGESON & CO.
TORONTO STOCK BROKERS MONTREAL
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ROYAL BK. BLDG. TORONTO ELGIN 6446

RGH

We Recommend and Offer—

Mexican Light & Power 5%—1940
Yield 7.50%
Mexican Electric Light 5%—1942
Yield 7.90%

Full particulars on request.

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News of Investment Markets

HYDRO HOLDINGS OF INTER. PAPER ARE CONSOLIDATED

Investment House Makes Offer of 6%, First, Preferred Shares

From Our Own Correspondent

MONTREAL.—The hydro-electric power holdings of the International Paper Company in Canada have been consolidated into one company—the Canadian Hydro-Electric Corporation. The new company owns all the preferred and common shares of the Gatineau Power Company; all the preferred and 85 per cent. of the common shares of the Gatineau Electric Light Company, and a majority of the preferred and all the common shares of the Saint John River Power Company. The Gatineau Electric Light Company is a newly-formed distributing organization for the Gatineau Power Company. It operates also the transmission lines and distribution system of the several smaller companies which the International Paper acquired in the Ottawa valley.

The power developed by the Canadian Hydro-Electric Corporation's subsidiaries now amounts to 207,000 horsepower and upon completion of the present construction program, the plants will have a total capacity in excess of 535.000 horsepower. The Gatineau Electric Light Company serves a territory of 5,000 square miles having a population of about 200.000. To finance the Canadian Hydro-Electric Corporation. a large investment house syndicate headed by Drury and Company, is making an offering of 6 per cent., first, preferred shares. Particulars of the issue follow:

$12,500 Canadian Hydro-Electric Corporation Limited, 6 per cent. cumulative, first preferred stock of $100 par value.

Capitalization:

	Authorized	Issued
6% cumulative 1st preferred	$37,500.000x	$12,500,000
6% non-cumulat. 2nd preferred	25,000,000	25,000,000
Common shares of no par value	1,000,000sh.	1,000,000sh.

xAs soon as earnings of the corporation are equal to more than twice the amount of a full year's dividend requirements of the then outstanding first preferred and second preferred stock. the second preferred may be converted into first preferred. For such conversion $25,000,000 of the first preferred stock is held in reserve.

The Company: Owns all the preferred and common shares of the Gatineau Power Company, all the preferred and 85 per cent. of the common shares of the Gatineau Electric Light Company, and a majority of preferred and all the common shares of the Saint John River Power Company.

Guarantee of Completion: Sufficient funds to complete the development programme of the subsidiary are now held in escrow.

Sales: The present contracts will cover the sale of the entire power to be developed under the present construction programme.

Earnings: Independent engineers have estimated that upon the completion of plants now under construction. earnings will be more than four times the dividend requirements of the first preferred stock. It is estimated that the amount available for first preferred dividends and depreciation in the first twelve months period will be at least one and one-half times the amount required for the dividends.

Assets: Equal to more than three times the par value of the present issue.

Purpose of Issue: To provide funds to complete payment for the shares of the subsidiaries.

Offered: December, 1927, at $97½ and accrued dividend by an investment house syndicate headed by Drury & Co

Twin City Bonds Sold on 5.70% Yield Basis

A. E. Ames & Co. were the Canadian house in an issue this week of $18,000,000 of refunding bonds for Twin City Rapid Transit Company. The company will pay off $15,000,000 of bonds shortly maturing next year and utilize the balance of the proceeds of the new issue for capital additions and some other purposes.

A large American syndicate handled most of the issue, particulars of which follow:

$18,000,000
Twin City Rapid Transit Company
5½% First Lien and Refunding Bonds

Dated: Dec. 1, 1927. **Due:** Dec. 1, 1952.

Company: Controls public transportation systems in Minneapolis and St. Paul, with 800,000 people.

Franchises: Operates under indeterminate permits from state.

Security: Bonds are secured by pledge of bonds of Minneapolis Street Railway and St. Paul City Railway. Minneapolis Street Railway bonds are first mortgage, and St. Paul City Bonds are second charge, subject to issue of $4,388,000 maturing in 1937. Stock of two other subsidiaries also pledged.

Assets: Valuation of properties of these subsidiaries placed at $44,238,310.

Earnings: After depreciation, net for year to October 31 was 2.10 times all interest charges.

Sinking Fund: Two per cent per annum, beginning in 1929.

Offered: December, 1927, by large American syndicate and A. E. Ames & Co., Toronto, at 97 to yield over 5.70 per cent.

C. T. FILLAN & CO.
Specialising in
RAILROAD SECURITIES
205 St. James Street,
MONTREAL.
Telephone Lancaster 6986.

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INVESTMENT SURVEY
"A Service in Itself."
WARNER & COMPANY
120 St. James Street
MONTREAL Tel. MAin 3635

Manitoba Power Adds 80,000 H.P. to Plans

From Our Own Correspondent

MONTREAL.—The Manitoba Power has increased the scale of its expansion program at its plant for instead of installing an additional generating unit of 28,000 h.p. capacity, two more units of 40,000 h.p. are to be installed.

The present installation in the plant consists of four 28,000 h.p. units with provision for the installation of two more. By installing two of the larger type of generators, the ultimate capacity of the power house has been increased from 168,000 h.p. to 192,000 h.p. It is understood that the storage facilities of the company on the Winnipeg river will be increased to allow the installation of the larger units.

CONTROL OF STOCK IN NATIONAL STEEL COMES TO CANADA

Formerly Owned in U.S., Shares Are Purchased by Dominion Brokers

From Our Own Correspondent

MONTREAL.—Stock control of yet another company operating in the Dominion has been brought to Canada. With a common stock capitalization of 100,000 shares of no par value, 81,000 shares of the National Steel Car Corporation, formerly owned in the U. S., were recently bought by Greenshields & Company and McDougall & Cowans recently. These shares have been offered and oversubscribed by Canadian investors.

In addition to producing railway equipment, the company manufactures drop forgings and steel pressing, and fabricates wood and steel parts, which are sold to the railways for repairs and to other assembling plants.

The plant is located at Hamilton, Ontario. The amount of equipment turned out this year will be larger than in 1926 and net earnings, after all charges, including depreciation, will amount to $274,400 as compared with $173.879 a year ago. The outlook for the future is satisfactory. The particulars of the new issue follow:

61,000 Shares National Steel Car Corporation

Capitalization: Six per cent bonds due 1930, $860,000.

Capital Stock: No par value, 100,000 shares.

Business: Manfacturers all types of railway rolling stock, drop forgings and steel pressing for railway equipment.

Earnings: Average earnings over the past four years, before income tax, amounted to $2.27 per share per annum on the capital stock. Earnings this year will amount to about $2.74 per share.

Assets: Value of the assets, after deducting all charges ranking senior to the common stock, amount to $2,262,572.

Growth of Business: The last five-year period is very far behind the previous years as to the building of freight cars, which constitute a large proportion of the company's business. A growth in the demands of the railroads for rolling stock is anticipated in the future.

Offered: December, 1927, at $39 a share by Greenshields & Company and McDougall & Cowans.

Moose Jaw Finances Show Sound Position

The past year has brought further improvement in the finances of the city of Moose Jaw. The report of the city commissioner, George D. Mackie, for the ten months' period to October 31, reveals that the city's finances are now in very healthy condition.

Contrast between the financial position of 1917 and to-day, ten years later, as given in the report, is a striking evidence of the change in western municipal finances. The city's assessment is lower; the percentage of assessment represented by improvements is much higher; the city's debt is actually much lower; the municipal levy is, of course, larger, but only by about one-third.

City assessment for 1927 is $28,505,980 gross, with taxable assessment, $21,957,330. City's debt stands at $4,510,830 net, a slight increase from last year. Borrowing power would permit of the issuance of $478,922 of additional debentures. Sinking fund invested amounts to $1,972,577. Tax rate is 48.70 mills. Profits on public utilities for 10 months total $80,613. Total for year will be above that of 1926.

Housser Wood & Co.
LIMITED
Orders Executed on the Toronto Stock Exchange
R. F. DAVIDSON,
Member Toronto Stock Exchange
El. 7193-4-5-6.
Royal Bank Bldg. Toronto

Capital: $1,000,000
Reserve: 350,000

Complete Trust Service
covering
Wills and Trusts
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Head Office—Halifax, N.S.
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Charlottetown, P.E.I.
MONTREAL—138 St. James St.
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Public Over-subscribes Pelissier Brewery Issue

The current interest in beverage securities is demonstrated in the rapid over-subscription of an issue of $450,000 of preference stock in Pelissier's, Limited, a Winnipeg brewery recently purchased by eastern interests.

Harley, Milner & Company, Toronto, were sponsors of the issue. Offering consisted of $450,000 of 7 per cent. cumulative preference stock of a par value of $100 a share. Stock is convertible into common on the basis of five common for one preferred. Offering was made at par, purchasers of the preferred were given the privilege of buying two shares of common at $12 for each preferred share bought.

Particulars of issue follow:

$450,000
Pelissier's Limited
7% Cumulative Convertible Preference Stock

Capitalization:

	Authorized	Issued
Preference stock	$450,000	$450,000
Common, no par val.	72,500 shs.	50,000 shs.

22,500 shs. of common reserved for conversion.

Company: New company incorporated to take over brewery at Winnipeg. Plant has capacity of 200 barrels a day.

Assets: Fixed assets valued at $460,983 and net current assets $102,098.

Earnings: For eight months to September 30 last $103,077 available for preferred dividend.

Offered: December, 1927, by Harley Milner & Company, Toronto, at par with privilege of buying two shares of common at $12 with each preferred share.

Ruddy Issue Carries Stock Purchase Warrants

Outdoor advertising has reached the investment market with the issuance this week of $750,000 of preferred stock in E. L. Ruddy Company. Harley Milner & Company and R. A. Daly & Company were the syndicate offering the issue.

The preferred shares, offered at par to yield 7 per cent., carry warrants entitling the holders to purchase common stock of the company at $20 a share in the ratio of one share of common for each preferred share held.

Particulars of the issue follow:

$750,000
E. L. Ruddy Company, Limited
7% Cumulative Preferred Stock

Capitalization:

	Authorized	Issued
Preference stock	$1,000,000	$750,000
Common, no par val.	55,000 shs.	15,000 shs.

Company: Largest bill posting and sign company in Canada, serving chiefly Ontario, Maritimes, and Winnipeg.

Assets: Fixed assets valued at $993,398, investments at $70,404, and current assets, $152,061.

Earnings: Average for four years available for dividends over $118,000, and earnings to this year equal to over $2 a share on common.

Directors: E. L. Ruddy, president; W. T. Sutton, vice president; N. L. Nathanson, J. R. Robertson, V. T. Pegg, and W. T. Milner.

Offered: December, 1927, by Harley, Milner & Company and R. A. Daly & Company, Toronto, at par with right to buy common stock at $20 a share on one common share for one preferred basis.

F. H. Blakely C. E. Bowden
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Corporation Bond Issues
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SHAWINIGAN WILL NOT LOSE CONTROL OF CARBIDE PLANT

Bondholders Have Been Asked to Authorize Sale of Property

From Our Own Correspondent

MONTREAL.—The published notice of the meeting of the bondholders of the Canada Carbide Company, says that the bondholders will be asked to authorize the sale of the property. The Financial Post understands that the Shawinigan Water and Power Company, which owns the company, will not lose control of the undertaking, but there is no official information forthcoming regarding the meaning of the proposed sale. Thus it is only possible to guess at the hidden meaning behind the cryptic notice to the bondholders.

Shawinigan is associated with large chemical interests in the United States where the Canadian power producer owns a one third interest in the Niacet Chemicals Corporation. It might well be that some of the large chemical interests with which Shawingan is associated in the U. S. would take a minority interest in this wholly owned subsidiary. It is understood that the Canada Carbide has a large program of expansion in view. The company is a large user of power and as such its expansion will benefit the parent company materially, quite independent of any other plans which Shawinigan may have in the making for this now prosperous subsidiary.

A current rumor has it that Shawinigan has sold the entire output of the plant over a term of years. This should also prove profitable to the parent company. The Canadian Carbide Company at its inception was not a money-maker for the Shawinigan Water and Power Company, but the company, over the past few years, has made exceptional progress and sales this year have proved particularly satisfactory, so much so that the capacity of the plant is to be doubled.

Asked to Permit Redemption

Shortly the holders of the mortgage bonds of the Canadian Carbide will meet, when they will be asked to consent to the sale of the company and to sanction a modification in their rights, which will permit the bonds to be redeemed at any time at par with a premium of five per cent. and accrued interest.

The strength in the shares of Shawinigan and its subsidiary, the Quebec Power Company, is probably due in part to the general public's expectations that the Shawinigan Water and Power Company will obtain the right to develop the Carillon power site on the Ottawa river. That the company will obtain these rights seems to be generally conceded, but as yet there is no official confirmation obtainable. Another reason for the strength in the shares lies in the growing expectation that eventually the shares of the Quebec Power Company and the St. Maurice Power Company will be exchanged into shares of Shawinigan. It has long been anticipated that an exchange of shares between Shawinigan and the shareholders of its chief subsidiaries will be worked out, but such a step may yet be delayed for some time.

Shareholders Approve Ontario Steel Split-Up

From Our Own Correspondent

MONTREAL.—Shareholders of Ontario Steel Products Company, at a special meeting at the head office at Gananoque passed a resolution authorizing the directors to apply for supplementary letters patent converting the common shares of the company of par value of $100 into common shares without nominal or par value on basis of four to one, and giving the preferred shareholders four votes for each preferred share held.

It was also decided to give the preferred shareholders the option of converting the preferred shares into common without nominal or par value on basis of four for one, provided such option is exercised before June 3, 1928. The present common shares of the company paid 5 per cent. this year.

Dissenting Group Controls Prudential Trust Proxies

From Our Own Correspondent

MONTREAL.—Out of a total of 9,669 outstanding shares of the Prudential Trust Company, proxies for 6,375 shares have been obtained by the Quebec shareholders' protective committee. Thus, the dissatisfied shareholders have obtained control of the company and at the special general meeting being held this week it is probable that the board of directors will be deprived of their power to make calls on the stock without the authority of the shareholders. Also the date of the annual meeting will be advanced from March to January next.

Tenders and By-laws

Dec. 12, Village of Dutton—$57,000, 5 per cent., 30-instal. high school debentures. J. D. Blue, clerk.

Dec. 14, Halifax—$320,000, 4½ per cent., 35-yr. bonds. R. V. Dimock, city treas. (See announcement on page 16).

Dec. 15, Town of Bridgeburg—$42,250, 5½ per cent., 15-yr. bonds. Alan S. Jackson, clerk. (See announcement on page 16).

Dec. 15, Thorold—$70,862, 5 per cent., 10-instal. bonds. D. J. C. Munro, treas.

Dec. 15, Bertie Township—$115,000, 5 per cent, 30-instal. debentures. J. Young, treas., Ridgeway.

Canada Cement Plant in Winnipeg Grows

From Our Own Correspondent

MONTREAL.—The Canada Cement Company is to spend $1,000,000 in improving and extending its plant at Tuxedo, near Winnipeg. The development program begins immediately. In addition to expanding the mill, new machinery is to be installed with the intention of producing cement by the speediest, most economic and most up-to-date process.

The immediate reason for the expansion of the Tuxedo cement plant lies in the large developments underway or about to take place in Manitoba generally and particularly in the Flin Flon area and in the developments of White Mud Falls.

B.C. ELECTRIC PROFITS TWELVE MILLIONS

Company is Increasing Capital Stock to Facilitate New Financing

Evidence of the steady growth of Vancouver is contained in the latest report of the British Columbia Electrical Railway, covering operations for the year to June last. In that period progress was made in all departments of the company's business. Passenger traffic was stimulated by auxiliary bus services, while freight earnings continued to expand as a consequence of the arrangements made for handling goods entering British Columbia by steam railroads from Eastern Canada and the United States. The recent reduction in steam rail rates on grain from the Prairie Provinces is expected to result in a further substantial increase in shipments for export via Vancouver. This growingly important traffic has already risen from about 1,250,000 bushels in 1921 to over 45,000,000 bushels in 1926. Progress was also made in the electric light and power and gas departments. The net result was a further increase in profits, a slightly larger dividend on the preferred stock and a £50,000 addition to the allocation to reserves.

Gross earnings of the company and its allied subsidiary enterprises for the year ended June 30 last were $12,313,394.27, and the balance of earnings available for reserves and interest on share capital amounted to $2,435,226.45. The transportation department showed revenue of $4,747,862, as compared with $4,591,285 the previous year, most of the increase in traffic arising from within the city of Vancouver. Freight revenue totaled $898,468, against $785,934 for the 1926 period, and the light and power department's sales amounted to $4,836,238, an increase of $416,918. The revenue of the gas department was up from $999,259 to $1,137,659.

Two interesting proposals have been submitted for the approval of the shareholders. One is to increase the share capital by £1,000,000 by the creation of an additional 1,000,000 shares of £1 each. A year ago 320,000 similar shares were created, making the then unissued capital £1,000,000, but they have not yet been issued, so that the company will have 2,000,000 shares available to finance further requirements. Another proposal is that the directors, instead of receiving, in addition to nominal fees, 10 per cent. of the profits, should be entitled to fixed remuneration. It is expected that this act of self-sacrifice on the board's part will result in a saving of over £18,000 per annum.

U.S. Imports Less Pulp from Canadian Mills

From Our Own Correspondent

MONTREAL.—The United States import figures covering the nine months ending September 30 reveal clearly the falling off in the demand for pulp and paper in that country. As a large proportion of the United States pulp imports come from Canada, the effect on the Canadian pulp industry can best be judged from the following United States import figures:

U. S. Pulp Imports

Nine months ending Sept. 30—	1926 (Tons)	1927 (Tons)
Groundwood	192,493	152,790
Sulphite	665,726	654,864
Sulphate	248,997	230,759
Imports from Canada		
Sulphite	278,369	256,371
Sulphate	105,148	100,786

GRANADA REFUSES FUNDS

Pres. R. Gamble, Granada Rouyn Mines, announces that he has turned down an offer for $1,500,000 new funds. The finances of the company are in good shape and the property is looking extremely well.

FRONTENAC-McCOLL FINANCING IN WEEK

Preferred and Common Shares to be Offered in Merger of Oil Companies

From Our Own Correspondent

MONTREAL.—It is thought that the $1,000,000 bond issue of the Frontenac Oil Refineries will soon be called and that the preferred and common shareholders in the company will be offered an exchange of stock in a new company in which assets of Frontenac Oil and McColl Brothers will be consolidated.

The Frontenac Oil Refineries was financed only a month or two ago by a bond issue offered publicly by Nesbitt, Thomson and Company. The investment house has lately purchased McColl Brothers at $65 per share for the 150,000 shares of common stock outstanding. Thus, the purchase involves approximately $10,000,000.

McColl Brothers are successful buyers, distributors, wholesalers and retailers of gasoline and other petroleum products. The company's chief products are sold under the trade names of "Red Indian" motor oil and "Marathon" gasoline. They are distributed in the Dominion from 21 branches in eight provinces. The company's refinery is at Toronto and plants are located at Montreal, Winnipeg, Vancouver, Regina and Calgary. The first public offering of McColl Brothers stock was made in August, 1926. The consolidation of the Frontenac Oil Refineries with McColl Brothers will give the former a Dominion-wide distribution of its outstanding product, namely, Cyclo Gas, for which the company has the sole production rights and which already has proved extremely popular in eastern Canada.

McColl Brothers has paid dividends on its stock uninterruptedly since incorporation in 1918. It is anticipated that attractive new security issues will be offered publicly following the consolidation of these two companies.

It is said that earnings of McColl Brothers after depreciation are now running at the rate of over $6 per share per annum. The new financing will make its appearance probably next week and will consist of preferred and common stock in the consolidated enterprise.

This Week's Bond Sales

Town of Nicolet

The Credit Anglo-Francais have been awarded an issue of $35,00, 5 per cent, 1 to 20-year bonds of the Town of Nicolet, Que., at 99.55.

Town of Beauharnois

An issue of $70,000, Town of Beauharnois, Que., 5 per cent, 1 to 15-year bonds has been sold to Credit Anglo-Francais at par.

Quebec Issue

The National City Company were awarded the city of Quebec issue of $605,000, 4½ per cent. bonds due 1957, at a price of 100.178. Dominion Securities Corporation submitted the second highest tender with a bid of $100.17.

Town of New Toronto

The Bank of Nova Scotia was the successful tenderer for an issue of $67,550, 5 per cent., 10 and 15-year debentures of the Town of New Toronto, their bid being 99.56. Tenders follow:

Bank of Nova Scotia	99.56
Wood, Gundy & Co.	99.40
A. E. Ames & Co.	99.25
Bell, Gouinlock & Co.	98.60
Bank of Commerce	99.51
C. H. Burgess & Co.	99.27
Dominion Bank	99.07
Dyment, Anderson & Co.	98.14

Toronto Issue

The issue of $5,500,000 City of Toronto 4 per cent. 2½-year treasury notes were awarded to a syndicate composed of Wood, Gundy & Co., Chase Securities Corporation, A. E. Ames & Co., and the Royal Bank. At the price of 99.277, the money is costing the city 4.23 per cent. The bids were:

Wood, Gundy & Co., A. E. Ames & Co., Chase Securities Co., Royal Bank of Canada	92.277
First National Bank, N.Y.; Kissell, Kinnicutt & Co., Redmond & Co., Bank of Montreal; Lee Higginson & Co.; Hallgarten & Co., Eldridge & Co., Salomon Bros. & Rutzler, National Park Bank, Hanson Bros., Kerr, Fleming & Co.	99.25
The Bank of Toronto	99.24
R. A. Daly & Co.; Blair & Co., N. Y.; Equitable Trust Co. of N.Y.; Haley, Stuart & Co., N.Y.; E. H. Rollins & Sons; Continental National Co.; Bank of Commerce; Matthews & Co.	99.088
National City Company, Guaranty Co. of N.Y.; Harris, Forbes & Co., Bankers' Trust Co.	98.904

Niagara Parks Commission

An issue of $2,000,000 Niagara Parks Commission, 4 per cent., 20-year bonds, guaranteed by the Province of Ontario, has been awarded to the Dominion Securities Corporation and Dillon, Read & Co., on a bid of 96.317. The bids were:

Dominion Securities Corp and Dillon, Read & Co.	96.317
Bank of Montreal and First National	96.179
A. E. Ames & Co., and Wood, Gundy & Co.	96.17
McLeod, Young Weir & Co., and Bank of Commerce	96.156
Bank of Toronto	96.02
Matthews & Co., Royal Securities Corp., Bank of Nova Scotia, Guardian, Detroit Company; Hemphill, Noyes & Co.	95.97
Dyment, Anderson & Co., Fry, Mills, Spence & Co., Bell, Gouinlock & Co.	95.61
C. H. Burgess & Co., J. L. Graham & Co., Gairdner & Co.	95.539
Royal Bank, Guaranty Trust, and Bankers' Trust Co.	94.7625

CAN. DEPARTMENT STORES GET RESPITE

Expects to Pay Off All Trade Liabilities by Feb. 15

Appointment of an interim trustee for Canadian Department Stores has followed action by three small creditors of the company who feared that they would not be able to collect their debts when they fell due. Larger creditors stepped in and, with the consent of the company, had a trustee appointed. Until February 15, all further proceedings are stayed by order of the court.

Company is not believed to be in financial difficulties, but is understood to have high inventories, which have reduced its rate of turnover. The directors are hoping, through the Christmas season and in January clearance sales, to reduce inventories sufficiently to pay off all trade liabilities by February 15, and thus forestall any further action by creditors.

Former owners of the small city stores that went into the merger are likely to take active interest in the direction of the affairs of the company.

Unlisted Bonds

	Bid	Asked
Abitibi Fibre, 6s, 1947	98¾	99¾
Abitibi P. & P. 6s, 1940	105	106
Algoma Steel, 5s, 1962	39	40½
Alberta Pac. Grain, 6s, 1946	99¾	100½
Bell Telephone, 5s, 1955	103½	104¼
Belgo Can. Paper, 6s, 1943	102¼	103
Brandram-Henderson, 6s, 1936	95	98
B. C. Pulp and Paper, 6s, 1950	87½	90
Brompton P. & P., 6s, 1946	101	102
Burns, P. & Co., 6½s, 1943	103½	....
Calgary Brewery 5s, 1942	93	94⅝
Calgary Power 5s., 1940	93¼	94½
Canada Biscuit, 6½s, 1946	101½	..
Canada Lt. & Pr. 5s., 1949	93¾	95
Can. Nor. Power 6s, 1941	101⅝	102½
Can. Paperboard, 7s, 1937	98	101
Can. Steamships, 5s., 1943	100	100¾
Can. Steamships, 6s., 1941	101½	102
Can. Steel Foundries, 6s., 1936	106	....
Davies, Wm., 6s, 1942	94	95¼
Dominion Iron, 5s., 1939	35	37
Dominion Pr. and Tr. 5s, 1932	98⅛	98⅞
Drummond Invest. 6½s, 1938	98	100
Duke Price, 6s., 1966	105⅝	106¼
East Kootenay Pr., 7s, 1942	104¼	105½
Elec. Development 5s, 1933	100⅝	101⅛
Famous Players, 6½s, 1943	98	102
Fraser Co., 6s., 1950	100¼	101¼
Gatineau Power, 5s, 1956	99½	99⅞
Gatineau Power, 6s, 1941	103¼	104
Howard Smith P. & P. 6s, 1941	104⅝	105½
King Edward Hotel, 7s., 1944	94	96
Lake Superior P. & P. 6s, 1941	105¾	106½
Laurentian Pr. 6s, 1936	109½	..
Laurentide Pr. 5½s, 1946	101¼	102
Manitoba Pr. 5½s, 1951	102	103
Mont. L. H. & P. 5s, 1951	101⅝	102½
Mont. Pub. Service 5s, 1942	99½	100¼
N. B. Power 5s, 1937	92⅝	....
Nor. Ont. L. & P. 6s, 1946	103	104
Nor. West Utilities 7s, 1938	100	102
Nova Scotia Steel, 5s 1959	62½	66
Nova Scotia 6% Debs.	33	38
Nova Scotia Tram. 5s, 1946	94⅝	96
Nova Scotia Tram. 7s, 1952	100½	102
Ont. Pulp & Paper 6s, 1931	109	110
Ottawa Hull Pr. 6s, 1948	104	105
Ottawa L. H. & P. 6s, 1953	105	106
Ottawa Mont. Pr. 6½s, 1949	104¾	105¼
Ottawa Trac. 5½s, 1955	101¾	102¾
Ottawa River Pr. 6½s, 1953	103	104
Port Alfred P. & P. 5½s, 1957	95½	97
Price Bros. 6s, 1943	105	106¼
Prov. Lt. Pr. 5s. 1946	101¾	103
Rio Tramways, 5s, 1935	97½	98¼
Sao Paulo Tram. 5s, 1929	98½	99¼
St. Lawrence Paper, 6s, 1946	100	101
St. Maurice Valley 5½s, 1957	95¾	97
St. Maurice Pr. 6½s, 1953	107¼	108
Shawinigan W. & P. 4½s, 1967	96	96½
Simpson's, Ltd., 6½s, 1945	103¾	104½
Southern Can. Pr. 5s, 1955	100½	101½
Spanish River P. & P. 8s, 1941	107	108½
West Kootenay Pr. 6s, 1943	104	104¾

Offer Stock in Company Manufacturing Peat Charcoal

Stobie, Forlong & Company, Montreal, are offering $110,000 of stock in Chemical Charcoal Company. Stock of a par value of $25 is being offered at $25. Application will be made to list the stock on the Montreal Curb Market.

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BOND MOVEMENT OF THE WEEK

Week Ending December 6

Bonds	Int. Rate	Due	Yield	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos, g. mtge.	6	1956	6.20	88¾	81¼	97⅞	88	97¼	97	979¼	96¾
Do., 1st mtge.	6	1941	5.86	101⅝	98¼	102	92¼	102½	101¾	101¼	.....
Can. Bread	6	1941	5.28	106	104	107	105	.....	107	107	.....
Can. Canners	6	1950	5.88	100	94	101½	96½	.....	101	101½	.....
Can. Cottons	5	1940	5.05	99½	95	100¼	97	100	.....	99½	.....
Dom. Coal	5	1940	5.57	89½	84½	94¾	90	98	94¾	94¾	.....
Dom. Iron	5	1929	8.60	94	86	93½	69	93½	93¼	93½	.....
Montreal Tram. "A"	5	1955	5.00	95	92½	100	94¼	100	99½	100	98⅝
Do. 1st mtge.	5	1941	5.00	98½	93	100⅝	97⅞	101½	100½	100	.....
Porto Rico Rly.	5	1936	6.07	89¾	89	93¾	90	93½	92½	92¾	.....
Quebec Rly.	5	1939	4.88	100⅞	96	101½	96	101	101	101½	101
Wayagamack	6	1951	5.76	100⅝	90	103½	97	....	103	103	.....
War Loan	5	1931	4.30	102.40	100.35	102.50	100.75	102.55	102.30	102.50	102.20
Do.	5	1937	4.20	104.95	107.75	106.75	102.95	106.85	106.55	106.60	106.45
Victory Loan	5½	1933	4.30	106.35	103.20	106.25	105.05	106.40	106.20	106.25	106.05
Do.	5½	1934	4.60	104.40	102.65	105.20	103.30	105.25	105.20	105.20	104.90
Do.	5½	1937	4.12	109.30	106.70	111.10	106.85	111.15	110.95	111.05	110.80
Do. renewal	5½	1932	4.60	103.90	102.00	103.95	101.85	104.20	103.95	103.80	103.65
Do., refund	5	1928	4.50	101.35	99.85	101.45	99.75	100.60	100.40	100.55	100.25
Do. refund	4½	1940	4.40	96.95	95.60	102.20	96.50	102.35	102.00	102.05	101.85
Do. refund	5	1943	4.60	102.80	102.30	105.50	102.80	105.50	105.25	105.50	105.10
Do. refund	4½	1944	4.33	97.15	95.70	102.00	96.96	102.50	102.15	102.00	.....
Do. refund	4½	1946	4.32	96.60	95.65	102.40	96.70	102.35	102.05	102.40	.....

Our December Market Letter
In addition to other interesting material, this issue contains detailed analyses of conditions influencing the securities in the milling, beverage, chain store, newsprint and banking fields.
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WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Maple Ridge, B. C.	Dec.	Royal Financial Corp.	5%	30-yr.	$ 46,000	101.65	4.96
Cap de la Madeleine	Dec.	Societe Generale de Finance	5%	25-yr.	120,000	99.275	5.07
Quebec City	Dec.	National City Co.	4½%	1957	605,000	100.178	...
Nicolet, Que.	Dec.	Credit Anglo-Francais	5%	1 to 20 yr.	35,000	99.55	...
Beauharnois, Que.	Dec.	Credit Anglo-Francais	5%	1 to 15 yr.	70,000	100	...
St. Jovite, Que.	Dec.	Versailles, Vidricaire & Boulais	5%	40-ser.	40,000	99.09	5.06
Lethbridge	Dec.	Bank of Commerce	5 and 5½%	40-ins.	150,000	....	...
Toronto	Dec.	Wood, Gundy & Co., and Syndicate	4%	2½-yr.	5,500,000	99.277	4.23
Niagara Parks Com.	Dec.	Dominion Securities and Dillon, Read	4%	20-yr.	2,000,000	96.317	...
New Toronto	Dec.	Bank of Nova Scotia	5%	5, 10, 15-yr.	67,550	99.56	...

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Mount Hope Bridge	Dec.	U. S. Syndicate	6½ and 7%		$ 4,150,000		
Twin City Rapid Transit	Dec.	A. E. Ames & Co., and U. S. Syndicate	5½%	1952	18,000,000	97	5.70
Stock Issues—							
Can. Hydro-Electric Corp.	Dec.	Drury & Co., and Syndicate	6%	Pref.	$12,500,000	97½	...
Pellissier's, Ltd.	Dec.	Harley, Milner & Co.	7%	Pref.	450,000	....	...
E. L. Ruddy Co.	Dec.	Harley, Milner & Co., and R. A. Daly & Co. (With right to buy com. stock at $20 a share or one com. for one pref. basis)	7%	Pref.	750,000	100	...
Acetol Products	Dec.	Lage & Co., Harley, Milner & Co., and Syndicate	Conv.	"A"	60,000 shs.	29.50	...

Can Germany Pay Debts Under Dawes Scheme? is Question Discussed

Problem is of Concern to Thousands of Investors in Canada

SPENDTHRIFT POLICY

Fatherland Encumbers Herself with Unnecessary Governmental Expenses

By CHESTER BLAKE

A few days ago the Dawes Plan was once more thrust into prominence. The Agent General for Reparations, Seymour Parker Gilbert, has pointed out to the German Minister of Finance (Dr. Koehler) that the smooth operation of the Plan was being menaced by the spendthrift policy of the German Government, States and Cities.

The president of the Reichsbank has come out boldly in support of Mr. Gilbert's views. Germany is encumbering herself with unnecessary Governmental expense. Stadiums, baths, parks, planetariums, museums, etc., are being built—and being paid for with borrowed money. That no more foreign loans should be floated for unproductive enterprises is the lesson Germany must learn.

Can Germany Pay?

Can Germany, even now, measure up to the demands imposed by the fifth year of the Dawes Plan? This is the question being asked by people in Great Britain, France, the United States, and the other Allied Countries. The answer to this question is also of great concern to the hundreds of thousands of private investors in the U. S. and Canada—who have placed over $3,000,000,000 of their capital in German bonds and in German industry. Can Germany meet its reparations payments and at the same time pay the interest on its debts to private citizens? This is what the people on this continent want to know.

To find an answer, it is necessary to understand what the Dawes Plan actually means. Before it is possible to weigh the future, we must review the past. Briefly, the elements of the Dawes Plan are as follows:

The Reparations Commission, following the war, laid a claim against Germany amounting to about $32,000,000,000. It was quickly realized that it would be impossible for Germany ever to pay this sum. It was reduced to $10,000,000,000. Even then the figure was too large. Germany could never stand the strain of such a burden. France became impatient and in order to force a settlement took possession of the Ruhr (January 1923). Something had to be done to avoid further complications.

Manifold Problems

The reparations commission then drafted Charles G. Dawes and Owen Young to work out a basis of settlement. The Dawes Plan was brought forth with the object of obtaining from Germany not what she "owed" to the allies, but as much in the way of reparations as could be paid without pushing the republic over the precipice of bankruptcy. The plan must do more than provide for the collection of money then. It must show how the money can be raised. The problems facing the financial experts were manifold and complex.

On August 30, 1924, the plan was adopted by agreement between Germany and the allied powers (London agreement). On September 1, 1924, it was put into operation. The immediate object of the plan was the stabilization of the country's currency. The first step in this direction was the organization of the Reichsbank (Central Bank of Germany). The second step was the issue of a $200,000,000 foreign loan—$110,000,000 of which was subscribed in Canada and the United States. In addition to currency stabilization, the budget had to be balanced before any reparations payments could be made. Both purposes were speedily accomplished. The plan was off to a good start.

The agent-general for reparations not only was responsible for showing where the money was to come from, but also how it was to be transferred to the allied countries, i.e., from marks to sterling, francs, dollars, etc. One condition of the plan provided that no transfers were to be made if they endangered the stability of German currency on the international exchange markets. The sources of reparation payments for each year are shown in the accompanying table:

Table of Dawes Plan Payments

	Fiscal Year 1924-25	1925-26	1926-27	1927-28	Yearly Thereafter
National budget	none	250	410	500	1,250
Rly. bonds	200	595	550	660	660
Indus. bonds	none	125	250	300	300
Transport tax	none	250	290	290	290
External loan, 1924	800	none	none	none	none
Totals	1,000	1.220	1,500	1,750	2,500

(The figures given are in millions of gold marks.)

The national budget was relieved of payments in the first year. Gradually, however, the German government was expected to come through with an increasing share of the total amount. So far all payments have been made—with comparative ease and with good feeling on both sides. The test comes next year when the budget must produce a surplus of 1,250,000,000 gold marks. Can the German economy stand the strain of such a large toll of taxation? Financial experts have agreed that it can. But that is only half of the problem. The crux of the situation lies in the ability of the German nation to raise sufficient foreign exchange to transfer the payments from marks to the currency of the allies.

Payments in Goods

To date a large proportion of the payments have been made in goods—thus facilitating the operations of the plan. It is believed to be unlikely, however, that such payments can be increased. Thus a larger amount of cash payments must be made in future years. The success of the plan hinges on Germany's ability to make these huge cash payments. If foreign loans are raised in sufficient volume, a supply of dollars and pounds, etc., is obtained. But foreign loans mean increasingly large interest payments—thus further involving the whole problem. If the money secured from foreign loans is utilized in producing more goods for export, all well and good, but if it is used for building beautiful public buildings, the agent-general for reparations, and others, say no more of them.

Private investors in the allied countries are becoming slightly worried about the interest on their loans. Do such interest payments take precedence over reparations payments, or must reparations come first? If Germany is not going to be able to pay all her debts, which rank first? It is generally supposed that the service of private loans comes first, since, under the terms of the Dawes Plan, the transfer of reparation funds into dollars, francs, etc., must stand back and let the private demands on the exchange market come first.

The Dawes Plan has functioned with remarkable success up to the present time. During the current year it is expected that all payments will be made—and made without too great a strain. Whether future payments will prove too onerous, no one can at present definitely say. Undoubtedly some readjustment of the Dawes Plan will take place within a short time, perhaps next year. The authors of the plan were wise enough to foresee such a contingency and have left the door open for such revisions as may prove to be necessary.

Paugan Development Progresses Rapidly

From Our Own Correspondent

MONTREAL.—Work is progressing rapidly on the Paugan development of the Gatineau Power Company; it is anticipated that the first generator in the plant will be delivering energy by early next summer. The dam across the river has been completed, the steel work of the power house is erected and the penstocks are being installed.

The plant is one of three which the Gatineau Power Company has on the Gatineau River; the other two now in operation being at Chelsea and Farmers, seven miles north of Ottawa. The Paugan development is thirty-three miles north of Ottawa.

CENTRAL ELECTRIC POWER PRODUCTION MARKS UP RECORD

Ontario Only Area Failing to Establish Higher Output

A slight advance was recorded in power output of central electric stations during the month of October, which, moreover, sets up a new high monthly record for all Canada. The Government's report shows that in September, total production amounted to 992,114, as compared with 1,079,282 thousands of kilowatt hours in October. When it is taken into consideration that September has only thirty days, as against thirty-one in the following month, the increase is not so pronounced as the first glance would indicate.

The failure of the central electric stations to record as substantial an increase in output as in former years at the same time, is largely due to the lessened activity in manufacturing industries. This is one of the most important outlets for electric energy and its demands have a bearing on production not approached by any other single factor.

Of the total production in October, 1,060,677 thousands of kilowatt hours are attributed to hydro stations and the balance to fuel plants. It is noteworthy that the output of the latter was the highest of any month since July, 1926. As practically all of this power is developed in the three Prairie Provinces, the inference is that commercial demands in that area are greater.

All five areas report an increase in hydro power generated by the central electric stations. Production in the Maritimes jumped from 9,236 in September to 12,698 in October. Quebec's total of 374,822 companies favorably with 339,237 in the preceding month. This, by the way, creates a new record in production for that province. Ontario came within a few hundred of setting up a new mark, her output of 499,494, only being 91 thousands of kilowatt hours behind the record of December, 1926. Both the Prairie Provinces and British Columbia establish new records for production of electricity generated by water power, the latter's mark being 85,946 and the former 87,717.

The percentage of output now being devoted to domestic demands continues high. While export of power has advanced slowly in the past few years, an increasingly large share of the total production is being held. During August and September, exports for the first time, passed the 150,000 mark. In the month under review, however, exports dropped to 142,991, which is still above the average of the year.

APPRAISALS REPORTS INVESTIGATIONS

Industrials—Public Utilities—Natural Resources

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PERFECTION GLASS COMPANY LIMITED

Executive Offices 201 Inspector St. MONTREAL Factory Atlantic Ave. and Hutchinson St.

BANK OF MONTREAL

Annual Statement

Statement of the result of the business of the Bank for the year ended 31st October, 1927.

Balance of Profit and Loss Account, 30th October, 1926		$ 767,416.69
Profits for the year ended 31st October, 1927, after deducting charges of management, and making full provision for all bad and doubtful debts		5,299,887.62
		$ 6,067,304.31
Quarterly Dividend 3 per cent. paid 1st March, 1927	$897,501.00	
Quarterly Dividend 3 per cent. paid 1st June, 1927	897,501.00	
Quarterly Dividend 3 per cent. paid 1st Sept. 1927	897,501.00	
Quarterly Dividend 3 per cent. payable 1st Dec. 1927	897,501.00	
Bonus 2 per cent. payable 1st Dec. 1927	598,334.00	
	$4,188,338.00	
Provision for Taxes Dominion Government	374,167.00	
Reservation for Bank Premises	350,000.00	4,912,505.00
		$1,154,799.31
Transferred to Rest Account		1,000,000.00
Balance of Profit and Loss carried forward		$ 154,799.31

VINCENT MEREDITH, President. FREDERICK WILLIAMS-TAYLOR, General Manager.

GENERAL STATEMENT

31st October, 1927

LIABILITIES

Capital Stock		$ 29,916,700.00
Rest	$ 30,916,700.00	
Balance of Profits carried forward	154,799.31	
	$ 31,071,499.31	
Unclaimed Dividends	13,598.07	
Quarterly Dividend, payable 1st Dec. 1927	897,501.00	
Bonus of 2% payable 1st Dec., 1927	598,334.00	
		32,580,932.38
		$ 62,497,632.38
Notes of the Bank in circulation	$ 45,760,677.50	
Deposits not bearing interest	161,060,362.03	
Deposits bearing interest, including interest accrued to date of statement	539,166,919.51	
Deposits made by and Balances due to other Banks in Canada	2,363,396.44	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	6,589,020.49	
Bills Payable	751,540.37	
		755,691,916.34
Letters of Credit outstanding		12,206,355.96
Liabilities not included in the foregoing		1,153,063.22
		$831,548,967.90

ASSETS

Gold and Subsidiary coin current		$ 38,400,252.58	
Dominion notes		50,552,958.75	
Deposit in the Central Gold Reserves		19,000,000.00	
Deposits made with and Balances due from other Banks in Canada	$ 49,707.88		
Balances due by Banks and Banking Correspondents elsewhere than in Canada	15,792,751.64		
Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks and other securities of a sufficient marketable value to cover	29,719,404.93		
Call and Short (not exceeding thirty days) Loans in Great Britain and United States, on Bonds, Debentures and Stocks, and other securities of a sufficient marketable value to cover	151,381,604.16		
		196,943,468.61	
Dominion and Provincial Government Securities not exceeding market value		86,760,587.30	
Railway and other Bonds, Debentures and Stocks not exceeding market value		5,344,028.16	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian not exceeding market value		32,963,446.96	
Notes of other Banks		4,207,454.00	
United States and other foreign currencies		905,579.89	
Cheques on other Banks		46,919,138.96	
			$481,996,915.21
Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		$255,155,693.56	
Loans to Cities, Towns, Municipalities and School Districts		16,657,162.95	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		45,628,393.70	
Non-current Loans, estimated loss provided for		2,046,424.33	
			319,487,674.54
Bank Premises at not more than cost (less amounts written off)			11,550,000.00
Real Estate other than Bank Premises			726,528.96
Mortgages on Real Estate sold by the Bank			1,193,393.42
Liabilities of Customers under Letters of Credit (as per Contra)			12,206,355.96
Deposit with the Minister for the purposes of the Circulation Fund			1,463,197.60
Shares of and loans to controlled companies			2,464,996.36
Other Assets not included in the foregoing			457,905.85
			$831,548,967.90

NOTE:—The business of the Bank in Paris, France and in San Francisco, U.S.A. is carried on under the name of local incorporated companies, and the figures are incorporated in the above General Statement.

NOTE:—Bonds of the Merchants Realty Corporation to the extent of $2,106,000.00 secured on premises leased to the Bank, are in the hands of the public. These bonds do not appear in the above Statement as the Bank is not directly liable therefor.

VINCENT MEREDITH, President. FREDERICK WILLIAMS-TAYLOR, General Manager.

TO THE SHAREHOLDERS OF THE BANK OF MONTREAL.

We have compared the above Statement with the Books and Accounts of the Bank of Montreal at the Head Office, and with the certified Branch Returns. We have checked the cash and verified the investments and securities at the Head Office, and at several of the principal Branches of the Bank at the end of the financial year. We have likewise, at various dates throughout the year, checked the cash and verified the securities at several important Branches.

We have to report that (a) we have obtained all the information and explanations we have required; (b) subject to the judgment to be rendered in a suit taken by John Hamilton, Boswell's Limited and Jeffrey Hale's Hospital, of the City of Quebec, which is now pending, in which the power of the Bank to make a donation of $200,000 ($50,000 paid and the balance, payable over three years, which has been provided for) to the Royal Victoria Hospital, the Royal Victoria Maternity, the Montreal General and Western General Hospitals, Montreal Joint Campaign Fund, is challenged, in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank, and (c) in our opinion, the above Statement discloses the true condition of the Bank and it is as shown by the books of the Bank.

MONTREAL, 23rd November 1927.

JAMES HUTCHISON, C.A. of the firm of Riddell, Stead, Graham & Hutchison
GEORGE C. McDONALD, C.A. of the firm of McDonald, Currie & Co.
} Auditors

BUSINESS SPHERE GREATLY ENLARGED BY CAN. CAR CO.

Forty Per Cent. of Orders Come from Other Sources Than Railroads

From Our Own Correspondent

MONTREAL.—Perhaps one of the most satisfactory points about the annual report of the Canadian Car and Foundry Company for the year ending September 30 last was the statement of W. W. Butler, the president, that approximately 40 per cent. of the business obtained by the company came from sources other than the railroads.

From the angle of the shareholders it is satisfactory to note that the company is more and more branching out into other fields of activity and by such diversification is tending to stabilize its earning power, which this year amounted to $1.88 per share on the common stock as compared with falling short by $465,000 of meeting the preferred dividend requirements last year.

The satisfactory betterment in the profits is revealed in the following figures which compare the profit and loss account and the working capital position of the company over the past three years.

	1927 $	1926 $	1925 $
Profits	1,332,887	714,825	256,388
Int. earned	93,008	132,088	232,484
Total	1,425,895	846,914	488,878
Depreciation	402,000	402,000	402,000
Balance	1,023,895	444,914	86,872
Tax prev.	50,000	......	......
Balance	973,895	444,914	86,872
Interest	355,440	385,054	416,644
Net profit	618,455	59,860	x329,772
Pfd. divs.	525,000	525,000	525,000
Balance	93,455	x465,140	x854,772
Prev. surp.	2,190,209	2,655,349	3,903,870
Balance	2,283,664	2,190,209	3,049,098
Pfd. arrears	......	......	393,750
P. & L. bal.	2,283,664	2,190,209	2,655,349

x Deficit.

Working Capital Position

	1927 $	1926 $	1925 $
Curr. assets	5,177,881	5,647,289	5,648,496
Curr. liab.	1,195,679	1,469,863	701,508
Work. cap.	3,982,202	4,177,426	4,946,988

Current Assets

The total assets of the company are carried at about the same figure as last year. There was a minor decline, though, in the total of government bonds, investments and cash held which makes itself seen in the foregoing comparison of current assets.

In the liabilities the script now outstanding amounts to $644,401 as against $675,292 last year. But in the assets the script fund has increased from $370,604 a year ago to $583,463 this year.

With the exception of the satisfactory increases in depreciation and profit and loss accounts shown in the foregoing figures, there were no significant changes in the liabilities.

In his remarks to the shareholders, the president of the company indicated that the betterment experienced during the past fiscal year will be carried on into the present year. Due to the improving position of the company, there has been an increasing interest in the common shares which have advanced of late.

Another factor which lends interest to the common stock is the possibility of the company eventually obtaining some settlement of its war reparation claims. These claims amount to several million dollars. As the value of the destroyed plant has been completely written off the books, should any settlement be arrived at, the position of Canadian Car and Foundries would be greatly strengthened.

Negotiations leading to the settlement of the claims have been going on for many months, but it may be some time yet before the company's demands are settled one way or another.

J. S. Mitchell's Position is Strongest in History; Large Profits Expected

Common Shares Will be Listed Shortly on Montreal Curb Market — Sales for Current Year Show Increase of Ten Per Cent.

From Our Own Correspondent

MONTREAL.—The common shares of the J. S. Mitchell & Company will be listed shortly on the Montreal Curb Market. About two years ago the company was publicly financed by a $600,000, 7 per cent., preferred stock issue, which carried a bonus of two common shares for every five preferred. Since the stock was first issued publicly, the company, which operates under an able management, has made excellent progress. Sales for the current year show an increase of ten per cent. and it can be safely anticipated that profits for the same period will also show an interesting growth. It is understood that the cash position of the company now is stronger than at any time in its history. Such a statement is significant for in fifty years the company has never borrowed a dollar from the bank.

The common stock is quoted between brokers at about $31 a share. As far as can be ascertained, some form of disbursement to the common shareholders will take place early next spring.

It is understood that the company has retired some of its preferred shares outstanding. There are 15,000 common shares of no par value outstanding. The book value of the stock, like its earning power value, is far in excess of $30 a share. Earnings applicable to the common shares this year will prove eminently satisfactory to the shareholders.

J. S. Mitchell & Company came into being in 1876. Its operations are carried out in the Eastern township sections of the province of Quebec, where it carries on a large wholesale and retail distribution of mill, railway, corporation, mining and contractors' supplies, and a general hardware business. During the past year or two there has been an increasing industrial development of the Eastern townships, from which the company has naturally benefited very materially.

SEGREGATION RUMOR IS DENIED BY BEATTY

C.P.R. Stock Has Appreciated Considerably Due Probably to Satisfactory Outlook

From Our Own Correspondent

MONTREAL.—E. W. Beatty, president of the Canadian Pacific Railway, has denied the report indicating that the railway intended to segregate under one company its many and varied assets other than the actual railway. No such plan has in recent years been considered by the management of the road and in view of Mr. Beatty's statement there seems little possibility that it will be considered.

The rumors regarding such an action probably arose simply because of the strength in the stock which of late has been exceptionally active and has appreciated considerably. The strength in the shares seems to be due to no other factor than a better investment appreciation of the position of the road and the satisfactory outlook surrounding such an investment for the future—more especially as compared with the common shares of U. S. railways.

WINNIPEG. — Western Canada has produced a record hay crop this year, according to preliminary estimates of the Federal Government. The four Western provinces produced 2,544,000 tons of hay and clover in comparison with 1,564,000 tons in 1926 and 235,700 tons of alfalfa as against 223,000 tons.

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A FEW years ago it was customary to name the wife, the business partner or the faithful friend. The wife in her inexperience was in danger of following poor advice—the business partner might be prejudiced—the faithful friend might lack judgment—any one of them might die before the work was done and none of them had facilities for doing the work easily and well.

Managing estates is truly a business in itself—and—The Canada Permanent Trust Company was incorporated to make estate management its business. It is permanent and continuous. It is equipped to handle every detail of executorship and trusteeship. With its Government charter and its large resources, it is responsible to the last penny.

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Information to Make Your Gift Buying Easy!

ONE thing is sure—if you are selecting gifts for smokers—the tobacconist is the place to go. And here is another sure thing—if you buy any of the Tuckett brands of cigars, tobaccos and cigarettes listed here you will get that quality that is indispensable in a Christmas gift.

PRICE LIST—CIGARS

For many years discriminating smokers have chosen Tucketts cigars. This year these famous brands, in quality and workmanship, are better than ever.

Tucketts Preferred, Coronas	3 for 50c
" " Palmas	3 for 50c
" " Perfectos	15c
" " Invincible	15c
" " Triangulares	15c
Tucketts Preferred Panetelas	2 for 25c
" " Epicures	2 for 25c
" " Conchas	10c
Philip Morris Perfecto	15c
Tucketts Club Special	2 for 25c
" Marguerite	10c
" Serene	10c
" Alpine Club	3 for 25c

The prices shown on the above list are the usual retail prices—cheaper by the box of 5, 10, 25 and 50—in attractive Christmas wrappers.

PRICE LIST—TOBACCOS

The man who is fond of his pipe is particular as to the tobacco he smokes. We offer you here an assortment from which you can surely make a wise selection.

T&B Myrtle Cut	½ lb. tin	$ .90
T&B Cut Extra Fine	½ lb. tin	1.10
Orinoco, Cut Coarse	½ lb. tin	.85
" Cut Fine	½ lb. tin	.85
Thistle Pipe Tobacco	½ lb. tin	.80
Buckingham Smoking	½ lb. tin	.80
" Fine Cut	½ lb. tin	.80
Herbert Tareyton	½ lb. tin	1.50
	1 lb. Glass Jar	3.00
Old Squire	½ lb. tin	1.00

PRICE LIST—CIGARETTES

You will find in the following list many world famous brands of cigarettes—beautifully packed for Christmas.

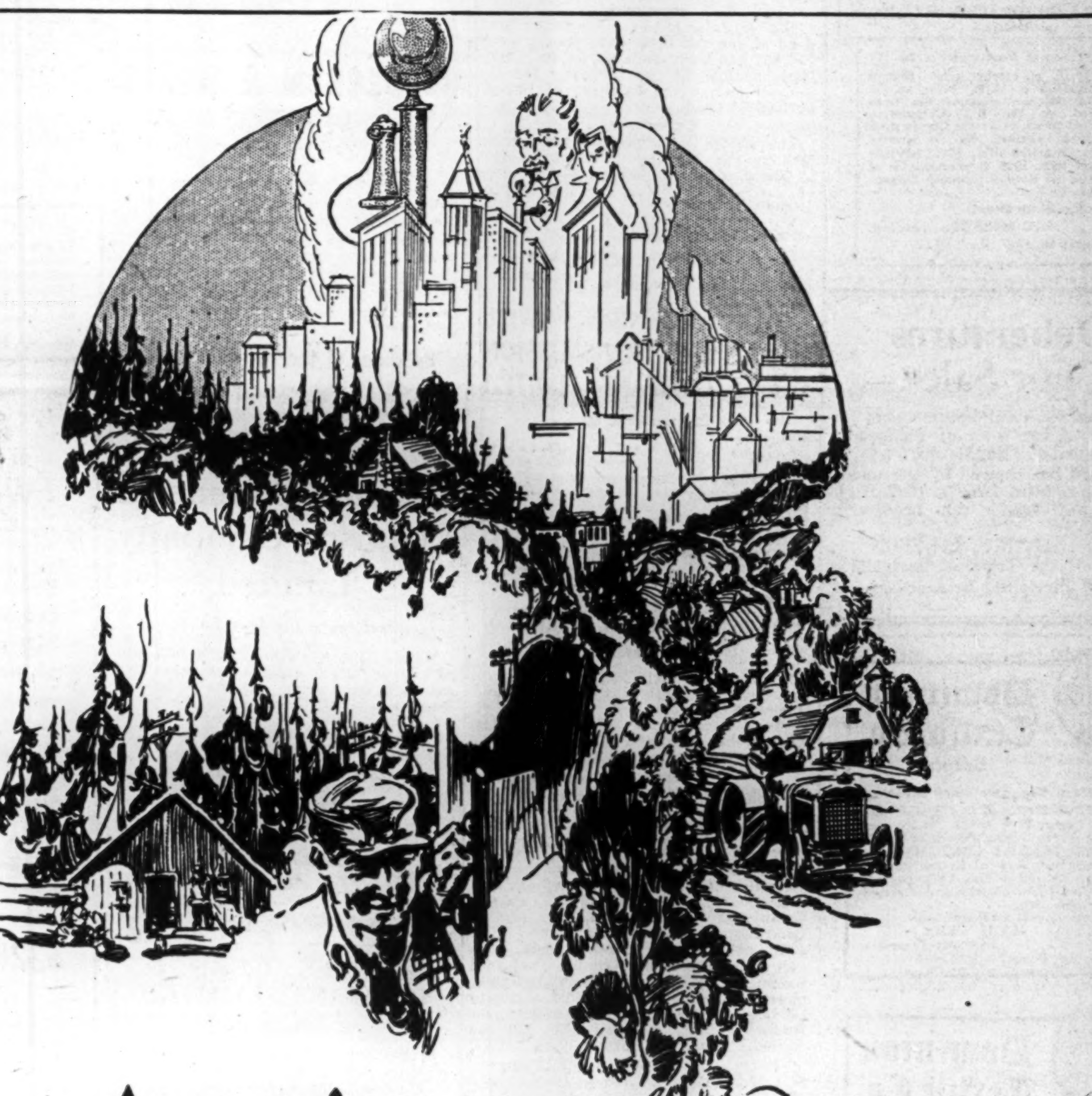
Melachrino No. 8, Plain	10-10s (100)	$2.50
" " "	50s tins	1.25
" " "	100s tins	2.50
" No. 9, Cork	10-10s (100)	2.50
" " "	50s tins	1.25
" " "	100s tins	2.50
" No. 4, Plain	50s tins	2.25
" " "	100s tins	4.50
" " " Individuals	50s tins	2.50
Milo Violet—Gold Tips (Lady)	50s	1.25
Virginia Ovals, Plain and Cork Tips	6-20s (120)	2.00
" " " "	50s tins	.85
Philip Morris Navy Cuts	10-10s (100)	1.40
" " " "	50s	.70
" " " "	100s	1.40
Scrollers	4-25s (100)	1.40
"	50s tins	.70
"	100s tins	1.40
Herbert Tareyton	6-20s (120)	2.00
" "	50s tins	.85
Buckingham	4-20s (80)	1.00
"	50s tins	.60
Johnnie Walker	50s	.85

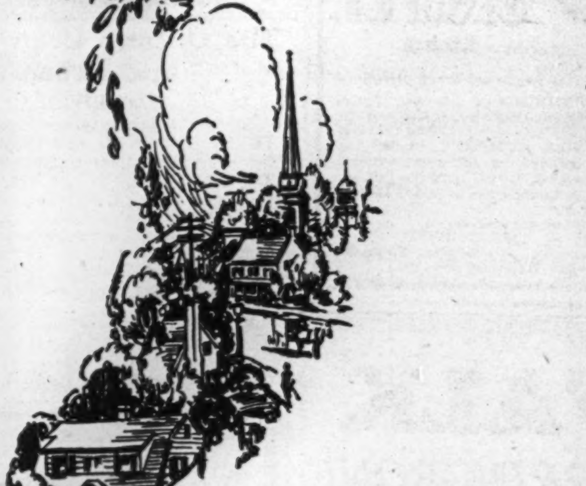
TUCKETTS

Manufacturers and Distributors of

CIGARS, CIGARETTES AND TOBACCOS

all dressed up for Christmas—and ready at your dealers





Arteries OF COMMERCE

MUCH of the great development of national and international commerce is directly attributable to the development of communication.

It is of primary importance that news of widely separated parts of the country be exchanged quickly and accurately.

Today Canadian commerce is depending more and more upon electrical products to keep in constant touch with business and social conditions.

From mining camps in the newly conquered wilderness to the offices and factories of the metropolis a network of wires and cables knit widely divergent interests and communities together. The Northern Electric Company serves Canada by making a great deal of the equipment necessary for the development and maintenance of communication throughout the Dominion.

The Northern Electric laboratories and factories are constantly seeking to perfect means of transmitting sound and power

Northern Electric COMPANY LIMITED

Equipment for Transmitting Sound and Power

Information

There is in Canada a wire mileage of 2,574,083, and nearly three-quarters of a million miles of wire have been manufactured into underground cables.

1867 · CANADA · 1927

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GRAIN GROWERS HAD BEST OF 21 YEARS

Shareholders Decline to Sell Elevator System to Pools

From Our Own Correspondent

WINNIPEG.—United Grain Growers have again declined to sell out their elevator system to the wheat pool. Twenty-first annual meeting of the company in Winnipeg turned down a proposal for such a sale.

The twenty-first year of the United Grain Growers ending Aug. 31, was one of the most successful in the company's history, with gross earnings of $3,275,949 and expenses of $2,173,398, according to the board of directors' report submitted by Hon. T. A. Crerar, president.

Interest on bonds, mortgages and debentures amounted to $107,229, while $275,055 was provided for depreciation, leaving net profit subject to taxation of $720,265. This amount added to $606,488 brought forward from the previous year in profit and loss account gave a total of $1,322,763.

Appropriations from this sum were made as follows: Patronage dividend and payment to Alberta pool, $126,597; shareholders' dividend at 8 per cent. per annum, $237,245; appropriation to general reserve, $42,933, and to depreciation reserve, $309,999. The latter is an addition to the customary depreciation provided during the year. Depreciation reserve now stands at $2,000,000 and general reserve at $1,500,000.

Total assets stood at $11,199,672, of which current assets amount to $4,942,606, and capital assets $6,257,066. Current assets included cash and government bonds to the total of $2,561,377, more than $300,000 in excess of current liabilities, which stood at $2,255,166. Capital liabilities, including bonds, mortgages and debentures, stood at $1,859,400.

Capital stock paid up amounted to $2,979,078. Adding general reserve, $1,500,000, and the surplus in profit and loss account, $605,987, the total of shareholders' capital and surplus account stood at $5,085,066.

The president reported that the company's new terminal elevator at Port Arthur is expected to be in operation by January 1st. It has 5,500,000 bushels capacity, has over 550 storage bins, a receiving capacity of 200 cars daily and loading-out capacity of 80,000 bushels an hour.

During the year the directors sold or leased 47 elevators to three provincial pools. Since the last meeting 25 country elevators, previously leased from the Manitoba government, were purchased, and 41 new elevators had been built or were under construction. The company owns 401 elevators.

FOREIGN EXCHANGE

NEW YORK FUNDS

	High (Discount)	Low (Discount)	Last Year High (Discount)	Last Year Low (Discount)
Dec. 1	3-32	1-8	1-16	7-64
Dec. 2	1-64	1-16	3-64	5-64
Dec. 4	Par	1-64	Par	1-16
Dec. 5	5-64	Par	x1-32	Par
Dec. 6	5-64	5-64	x3-64	1-32
Dec. 7	3-32	5-64	x5-64	x3-64

xPremium.

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Dec. 1	4.87 11/16	3.93½	5.43⅜
Dec. 2	4.87¾	3.93⅝	5.43
Dec. 4	4.87¾	3.93⅝	5.43⅛
Dec. 5	4.87⅞	3.93½	5.43
Dec. 6	4.87 13/16	3.93½	5.45¾
Dec. 7	4.87 13/16	3.93⅝	5.42½

FOREIGN EXCHANGE

Par		Nov. 30	Dec. 7
13.90	Italian	5.43	5.43
23.82	German	23.86	23.92
19.30	Belgium	13.96	14.00½
84.85	Japan	45.70	45.90

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Preferred Dividend No. 12

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending December 31st, 1927, payable January 16th, 1928, to shareholders of record at the close of business December 31st, 1927.

By order of the Board,
L. C. HASKELL, Secretary.
November 25th, 1927.

POWER CORPORATION OF CANADA LIMITED

Preferred Dividend No. 10

NOTICE is hereby given that a dividend of 1½% (being at the rate of 6% per annum) has been declared on the 6% Cumulative Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending December 31st, 1927, payable January 16th, 1928, to shareholders of record at the close of business, December 31st, 1927.

By order of the Board,
L. C. HASKELL, Secretary.
November 18, 1927.

Debentures For Sale

Tenders for local improvement debentures of the town of Bridgeburg to the amount of $42,250.00, 5½%, 15 years, will be received by the undersigned up to noon, Dec. 15, 1927. Highest or any tender not necessarily accepted.

ALAN S. JACKSON,
Clerk of the Town of Bridgeburg,
37 Jarvis St., Bridgeburg, Ont.

TEXTILE DOMINION CO. LTD.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-Five Cents ($1.25) per share on the Common Stock of DOMINION TEXTILE COMPANY Limited has been declared for the quarter ending December 31st, 1927, payable 3rd January, to shareholders of record December 15th.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, December 2nd, 1927.

TEXTILE DOMINION CO. LTD.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three-Quarter per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY Limited has been declared for the quarter ending December 31st, 1927, payable January 16th, to shareholders of record December 31st.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal December 2nd, 1927.

FALK HERRINGBONE GEARS

Special alloy heat-treated steel — can be run with safety at extreme velocity — will outwear ordinary gears — made up to 16 ft. diameter and 6 ft. face. Get in touch with—

THE WM. KENNEDY & SONS LIMITED
OWEN SOUND - ONT.
Toronto: 105 Bond St. ELg. 9656

DOMINION GLASS CO., LTD.

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of December, 1927.

Notice is also hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of December, 1927.

The above Dividends are payable on Monday the 2nd day of January, 1928, to Shareholders of Record at the close of business, Thursday, the 15th day of December, 1927.

By order of the Board.

MERVYN OFFER, Secretary.
Montreal, 17th November, 1927.

DOMINION POWER AND TRANSMISSION COMPANY, LIMITED

Dividend No. 65

A Dividend of one and three-quarters per cent. (1¾%) on the Preference Stock of Dominion Power and Transmission Company, Limited, has been declared for the quarter ending December 31st, 1927, payable on January 16th, 1928, to Shareholders of record of December 21st, 1927.

By order of the Board.
George D. Fearman,
Secretary.
Hamilton, Ont., 5th December, 1927.

THE INTERNATIONAL NICKEL CO.

Incorporated

A quarterly distribution of $.50 on the Common Stock has been declared this day, payable Dec. 31st, 1927, to Common Stockholders of record at the close of business Dec. 15th, 1927.

JAMES L. ASHLEY,
Secretary and Treasurer.
December 5th, 1927, New York.

INTERNATIONAL PAPER COMPANY

New York, N.Y., November 29, 1927.

The Board of Directors have declared a regular quarterly dividend of one and three-quarters per cent. (1¾%) on the Cumulative 7% Preferred Stock of this Company, and a regular quarterly dividend of one and one-half per cent. (1½%) on the Cumulative 6% Preferred Stock of this Company, for the current quarter, payable January 16th, 1928, to holders of record at the close of business December 29th, 1927. Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD,
Vice-President and Treasurer.

The Ontario Loan and Debenture Co.

162nd DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of 3 PER CENT. for the current quarter ending 31st December 1927 (being at the rate of 12 per cent. per annum), has been declared on the paid-up capital stock of this Company and will be payable at the Company's Office, London, Ontario, on or after the 3rd January, 1928, to Shareholders of record of the 15th December, 1927.

By Order of the Board,
T. H. MAIN,
Manager.
London, Canada, 6th December, 1927.

The Toronto General Trusts Corporation

DIVIDEND NO. 126

NOTICE is hereby given that a dividend of three per cent. (3%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending December 31st, 1927, being at the rate of

TWELVE PER CENT. PER ANNUM

and that the same will be payable on and after Monday, the second day of January, 1928. The Transfer Books of the Corporation will be closed from Friday, the 16th day of December, until Saturday, the 31st day of December, both days inclusive.

By order of the Board of Directors.
W. G. WATSON,
General Manager
Toronto, December 1st, 1927.

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 147 St. James Street, in the City of Montreal, on Thursday, the 12th day of January, 1928, at 11 o'clock, a.m.

C. E. NEILL,
General Manager.
Montreal, December 1, 1927.

The Dominion Bank

NOTICE is hereby given that a Dividend of three per cent. upon the paid up Capital Stock of this Institution has been declared for the Quarter ending 31st December, 1927, and, in addition, a Bonus of one per cent., making a total distribution of thirteen per cent. for the current year. The Dividend and Bonus will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 3rd day of January, 1928, to Shareholders of record of 20th December, 1927.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, the 25th January, 1928, at twelve o'clock noon.

By order of the Board.
C. A. BOGERT,
General Manager.
Toronto, 24th November, 1927.

THE BRITISH MORTGAGE AND TRUST CORPORATION OF ONTARIO

Dividend No. 99

Notice is hereby given that a dividend of 6% for the current half-year, being at the rate of 12% per annum, on the paid-up Capital Stock of this Corporation has been declared, together with a bonus of 2% for the year ending 31st December, 1927, and that the same will be payable on Tuesday, the 3rd day of January, 1928, to shareholders of record at the close of business on the 27th day of December, 1927.

By order of the Board.
W. H. GREGORY,
Managing Director.
Stratford, December 5th, 1927.

GOODERHAM & WORTS LIMITED

Notice is hereby given that a Dividend of 25 cents per share, plus a bonus of 25 cents per share, has been declared upon the paid-up capital stock of this Company, for the current quarter, payable on and after the fifteenth day of December next to shareholders of record of November 30th, 1927.

By order of the Board.
F. S. HARRIS, Secretary.
Toronto, December 1st, 1927.

DIVIDEND NOTICE

Canadian General Electric Company Limited

Preference Dividend No. 71

Notice is hereby given that a Dividend of one and three-quarters per cent. for the quarter ending the 31st day of December, 1927, being at the rate of seven per cent. per annum, has been declared on the Preference Stock of the Company.

The above Dividend is payable on and after the second day of January, 1928, to Shareholders of record at the close of business on the 15th day of December, 1927.

By Order of the Board,
W. H. NESBITT,
Secretary.
Toronto 2, December 6, 1927.

CHARLES GURD & COMPANY, LIMITED

Dividend Notice

A Dividend of One and Three-quarters per cent. (1¾%) on the Preferred Stock of Charles Gurd & Company, Limited, being at the rate of 7% per annum, will be paid on January Second, 1928, to Shareholders of record December Fifteenth.

A Dividend of Fifty Cents ($0.50) per share on the Common Stock of Charles Gurd & Company, Limited, will be paid on January Second, 1928, to Shareholders of record December Fifteenth.

By resolution of the Directors.
ALEXANDER McA. MURPHY,
Secretary-Treasurer.

The Sherwin-Williams Co., of Canada, Limtied

Notice is hereby given that the sixty-sixth quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum for quarter ending November 30th, 1927, on the Preferred Stock of the Company has been declared payable to shareholders of record the 15th day of December, 1927, and that cheques will be mailed December 31st, 1927.

Books not closed.
By order of the Board.
D. A. WHITTAKER,
Vice-Pres. and Sec'y-Treas.
Montreal, Que., Nov. 29th, 1927.

The Sherwin-Williams Co., of Canada, Limited

Notice is hereby given that the twenty-ninth quarterly dividend of one and a half per cent. (1½%) for quarter ending November 30th, 1927, on the Common Stock of the Company has been declared payable to shareholders of record the 15th day of December, 1927, and that cheques will be mailed December 31st, 1927.

Books not closed.
By order of the Board.
D. A. WHITTAKER,
Vice-Pres. and Sec'y-Treas.
Montreal, Que., Nov. 29th, 1927.

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, Nos. 23 to 25 King Street West, Toronto, on Tuesday, the 10th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board,
S. H. LOGAN,
General Manager.
Toronto, 25th November, 1927.

ONTARIO

SALE OF TIMBER

TENDERS WILL BE RECEIVED by the undersigned up to and including Thursday, 22nd December next, for the right to cut the Red and White Pine timber in the Township of MacBeth, in the Temagami Forest Reserve, District of Sudbury, having an area of 36 sq. miles, more or less.

FURTHER PARTICULARS may be obtained upon application to the undersigned, or to Mr. J. T. McDougall, Crown Timber Agent, North Bay, Ontario.

W. FINLAYSON,
Minister of Lands and Forests

N.B.—No unauthorized publication of this notice will be paid for.
Toronto, November 22nd, 1927.

Howard Smith Paper Mills Limited

Dividend Notice on Preferred Stock

Notice is hereby given that a dividend of 2% on the Preferred Stock of the Howard Smith Paper Mills, Limited, has been declared for the quarter ending the 31st day of December, 1927, payable on the 10th day of January, 1928, to Shareholders of record at the close of business on the 31st day of December, 1927.

By Order of the Board,
E. HOWARD SMITH, Jr.,
Secretary.
Montreal, November 28th, 1927.

SCANDINAVIAN

Thorough knowledge of all international banking and financial technicalities, well acquainted with North-European, Icelandic, and Central-European commercial and financial conditions, excellent references, desires position offering future.
Box 140, Financial Post, Toronto 2, Ont.

GROUND WOOD PULP FOR SALE

Four hundred tons of ground wood pulp at $10 per ton below cost of production. Freight rate to New York $2.25 per ton. Address "Ground Wood," c/o The Financial Post, Toronto 2, Ont.

ST. MAURICE VALLEY CORPORATION

Dividend Notice

Notice is hereby given that a dividend of 1¾% for the three months ending December 31st, 1927, being at the rate of 7% per annum on the paid-up Preferred Stock of this Corporation, has been declared and that same will be paid on the third day of January, 1928, to shareholders of record at the close of business December 16th, 1927.

By order of the Board.
G. WILFRED HODGSON,
Secretary-Treasurer.
Montreal, November 23rd, 1927.

The Wabasso Cotton Company Limited

Dividend No. 40, and Bonus

Notice is hereby given that a Dividend of One Dollar per share on the Capital Stock of the Company has been declared for the quarter ending 31st December, 1927, also a Bonus of Fifty Cents per share payable on the 3rd day of January, 1928, to Shareholders of record as at the close of business on the 15th December, 1927.

By Order of the Board,
JAS. R. RITCHIE,
Secretary-Treasurer.
Three Rivers, Que.,
November 10th, 1927.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water & Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water & Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on July 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of January, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on January 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on January 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

$320,000.00 City of Halifax 4½% Bonds

Tenders for Loan

SO MARKED will be received at this office up to 12 noon on the 14th day of December, instant, from parties disposed to purchase Debentures or Stock of the City of Halifax, in whole or in part, as below described, sufficient to produce at the price offered in the lawful money of Canada the sum of $320,000.00, to be used by the City for the following purposes:

PARTICULARS OF PRESENT ISSUE

City's share of cost of Re-establishment of Provincial Exhibition	200,000.00
For the Erecting and Equipping of an Isolation and Contagious Disease Hospital	95,000.00
For the Purchase of Elizabeth Morash Property	3,500.00
For the Construction of New Sewers	5,000.00
The foregoing are authorized by Act of the Local Legislature, Cap. 62, Acts of 1927.	
For the Extension of Water Service. (Authorized by Act of the Local Legislature, Cap. 52, Acts of 1922)	5,000.00
For the Construction of Public Baths. (Authorized by Act of the Local Legislature, Cap. 38, Acts of 1916, and Cap. 86, Sec. 31, Acts of 1920)	2,500.00
For the Purpose of Street Paving. (Authorized by Act of the Local Legislature, Cap. 52, Acts of 1922)	4,000.00
For the Purpose of Street Widening. (Authorized by Act of the Local Legislature, Cap. 77, Acts of 1914)	5,000.00
	$320,000.00

Term to run 35 years from January 2, 1928. Rate of interest, 4½ per cent. per annum. Coupon Debentures for $1,000.00 each or Stock Certificates of multiples of $100.00 will be given, payable in lawful money of Canada.

Debentures may be registered as to principal.

Interest payable half-yearly in lawful money of Canada, on the 1st January and 1st July, at points mentioned below.

Engravers' plate ready, but Debentures not printed. Delivery about January 25th, 1928.

A Sinking Fund for the redemption of the City Debt is provided therefor by the Acts of 1922, Cap. 54, and amendments thereto.

Place of payment in the lawful money of Canada for principal and interest: The Office of the City Treasurer, Halifax, N.S., or at The Royal Bank of Canada at Montreal, Toronto, Winnipeg, Vancouver, or New York.

Parties loaning the money will be required to pay the accrued interest to the time of paying over the amount loaned. The loan to be paid in Halifax Funds, and the securities to be delivered in Halifax, at the Office of the City Treasurer.

The Committee on Finance, subject to the approval of the City Council, will award the tender.

The City does not bind itself to accept the highest or any tender, and reserves the right to accept from any tenderer such portion of the whole as it deems necessary.

There has never been any default on the part of the City on payment of its obligations; nor has there ever been any litigation affecting the validity of its Debentures.

R. V. DIMOCK,
City Treasurer.
HALIFAX, N.S., December 3rd, 1927.

Sun Life Assurance Company of Canada

HEAD OFFICE: MONTREAL

Stock Transfer Department

Notice is hereby given that the Stock Transfer books of the Company will be closed from the 17th to the 31st of December, both dates inclusive, for the preparation of the dividend to become due and payable on the 1st day of January, 1928, to shareholders of record at the close of business on December 16th, 1927.

By Order of the Board,
H. W. K. HALE,
Secretary.

The Toronto Mortgage Co.

Quarterly Dividend

Notice is hereby given that a Dividend of Two and one-half per cent., being at the rate of Ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, together with a Bonus for the year of One per cent., both payable on

1st January, 1928,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.
WALTER GILLESPIE, Manager.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of the Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of the Shawinigan Water & Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on July 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First Day of January, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on January 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on January 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

The Shawinigan Water and Power Company

To: The holders of the Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds of the above named Company, due January 1, 1934, secured by Trust Deed dated June 14th, 1904, in favour of The Royal Trust Company, Trustee.

NOTICE is hereby given that in the exercise of the power reserved to it under the provisions of the said Trust Deed, the undersigned Company will, on the first day of January, 1928, redeem all of its Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds, which may be then outstanding, by payment of the principal thereof with a premium of ten per cent. (10%) thereon and accrued interest to the said first day of January, 1928, at the principal office of the Bank of Montreal, in Montreal, Canada, or London, England, or at the agency of the said Bank in the City of New York, U.S.A., at the option of the holder or bearer.

Holders of said Bonds are accordingly required to present their Bonds, together with all unmatured coupons attached, for redemption, on the aforesaid date, from and after which said Bonds will cease to bear interest.

Dated at Montreal, Canada, this 12th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY,
Jas. Wilson,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Five Per Cent. (5%) Consolidated Mortgage Thirty-Year Gold Bonds may surrender the same at the principal office of the Bank of Montreal in Montreal, Canada or London, England, or at the agency of the said Bank in the City of New York, U.S.A., at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of One Hundred and ten per cent. (110%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) Jas. Wilson,
Secretary.

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Banking—page 23

Canadian Mining News

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XXI. Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, DECEMBER 9, 1927 10c a Copy; $5.00 a Year No. 49

64 Millions Slipped from Hands of British Group; Tyrrell Fund is Outcome

Lost Opportunities in Canadian Mining Establishes Tours for Geologists

SIXTH OF HOLLINGER

Recommendations Also Included Wright Hargreaves, Keeley and Frontier, But Not Heeded

By WALLACE J. LAUT

"What do they know of Canada, who only England know?" This paraphrase may well describe the almost immovable attitude of British geologists, engineers and financiers toward the development of the Canadian North. While Canadian and American capital is reaping the benefits of the millions that have come from the pre-Cambrian areas in the respective proportions of 60 per cent. Canadian, 30 per cent. American and 10 per cent. British, the great mining forces that centre in Old London are all but wholly inactive in Canadian fields of opportunity.

Have British financiers "missed the boat" by failing to grasp the real opportunities of Canadian mining offered them, while those right in the field are bringing the industry to gigantic size with the bulk of the development money coming from home coffers? There is a story that is not found in the shallows of mining gossip as to the reasons for this great lack of co-operation. Canadian statesmen have gone to England and been received like visiting potentates; English authorities have discounted even the great Rand as the glowing promise of Canada's minerals unfolds in reality; distinguished engineers and parties of geologists have come and gone. The north country has been properly Cook's-toured. But there has never come of it all any mutual understanding as to co-operation between Canadian pioneering efforts and British pounds sterling. On the one hand the British attitude is that Canada's offerings in the Old Country have almost entirely been "holes in the ground," and that our methods of financing are wrong—or at least not their's. The attitude of the Canadian mining man is that the British engineer has a habit of procrastination that makes team-work imposible, and that the capitalists of England have missed the opportunity of owning almost every worth-while mining property in Northern Ontario.

A Significant Action

When it was announced the other day that J. B. Tyrrell, M. Inst. M.M., F.R.S., F.G.S., had established a fund with the Geological Society of London for the purpose of helping to defray the expenses of individual geologists on tours of examination and research in Canada, the mining world knew that there was something deeper than a graceful gesture behind this act of Canada's dean of geologists.

Mr. Tyrrell is probably Canada's best informed and most widely traveled geologist. He was in the Dominion Geological Survey in the days of Sir John Macdonald. He helped to get Canada's gold out of the Klondyke, and came through that mining welter with an enhanced reputation. He is the discoverer of the great coal deposits of the Crow's Nest Pass. He is the outstanding explorer of new frontiers now living in Canada. And he is a combination of the scientist with his mind on nation-wide problems, and the economic geologist who "makes" such mines as Kirkland Lake Gold by going down through unproductive rock for 2,000 feet to reach ore that his researches had shown him existed at such great depth.

Mr. Tyrrell has made more than twenty-five trips across the Atlantic Ocean in the course of his long experience on Canada's far-flung areas. He has been honored by that most ancient and honorable body, The Geological Society of London, receiving one of their highest awards in the form of a medal for distinguished geological service. And when he gave to the society the sum of $10,000 to assist British geologists to come to Canada and "do" the north at their leisure with every co-operation from the proper authorities, it was reasonable to conjecture that this was more than a return of professional amenities.

The crux of the matter is this: Mr. Tyrrell has a great desire to see the English geologist educated as to Canadian mining conditions by "mixing" with the very rocks of the north.

What One Group Missed

Mr. Tyrrell has seen one great English company miss opportunities in Canadian mining that to-day would have an actual cash value of more than $64,000,000. He told the story of it for the first time the other day and it is probably the greatest object lesson and the most forceful example of what lies ahead for Canadian mining that has been related in this country.

Is it any wonder, when Britain has missed such opportunities, that Mr. Tyrrell should endow a movement that gets down to the bedrock of mining education as his mining operations got down to the greatest depths of the Kirkland Lake camp? He believes that the one hope of future co-operation is to convince the men who instruct and inspire young engineers and geologists in the great mining schools of England of the importance of Canadian mining fields.

A strong believer in the British connection, Mr. Tyrrell is at the same time the ardent proponent of a self-reliant Canadianism, especially as it relates to the development of our vast resources in the pre-Cambrian rocks. Having so often crosed the ocean to the British Isles on a mission of Canadian advancement, he to-day holds the firmest convictions as to the need for a positive confidence on the part of the Canadian people in the seeking of capital for the development of their mining resources.

"It is plain to-day that Canadians are rapidly gaining new confidence in themselves," said Mr. Tyrrell. "This is greatly to be desired, and the re-

(Continued on page 20)

Making History

The above illustration shows Mr. J. B. Tyrrell at the mouth of the Nelson River on August 4th, 1912. This was Mr. Tyrrell's last trip of exploration and was made for the Ontario Government to survey the five-mile wide strip through N. Manitoba by means of which the province of Ontario will always be able to reach a Hudson Bay port. The picture shows the flag, representing Ontario, planted on the Nelson River. There were four white men and six Indians in the party. The picture was snapped by W. B. McPherson, B.A.Sc., who accompanied Mr. Tyrrell. It has a historic significance in Ontario's "course of empire" northward.

Smelters' Outlook Decidedly Bright

MONTREAL.—Several factors appear to be responsible for the appreciation in the shares of the Consolidated Mining and Smelting Co. of Canada, chief of which is perhaps, the improvement in the lead and copper markets. There are rumors indicating that the other fields in which "Smelters" has become interested, such as Newfoundland, have great potentialities. Greater interest surrounds the stock as the date for the dividend for the last half of the year apprаches. Ultimately, there seems to be no doubt that the question of a split in the shares will be considered by the management.

How Flin Flon Ore Body Cuts Boundary

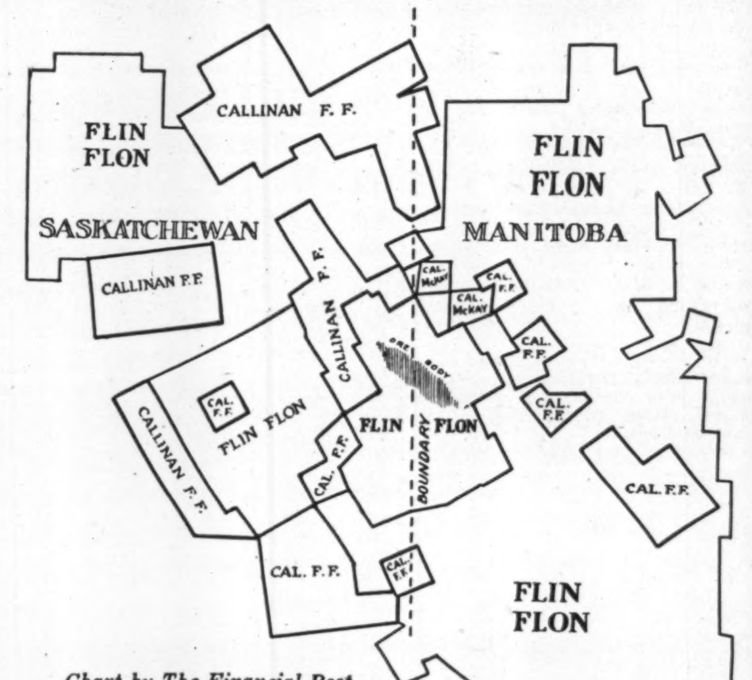

Chart by The Financial Post.

One of the problems that faced the Whitney interests in their negotiations for railway and power rights at Ottawa as well as their application to be relieved from the bounties collected, has been the fact that the ore body which has been developed cuts across the provincial boundary line from Manitoba into Saskatchewan. The above sketch shows the situation as it exists. It also shows the large holdings of the Flin Flon and the Calinan Flin Flon. There was a report abroad that Callinan Co. has sold a large portion of its holdings to the Whitney's. Mr. Callinan, the managing director, says that he has had an offer for 25 claims, but that it is not the intention of his company to sell. They will develop their own holdings and equipment is now on its way in.

Brokers' Fees on November Mine Share Trading Near Value of Porcupine Output

Transactions for Month Fell Just Short of 60 Million Shares—Twenty Stocks Provided Trading of One Million or More

Brokers commissions on mine shares totalled $1,495,424 for month of November. This almost equals the gold production for the same period.

These figures give some idea of the tremendous amount of money involved in the heavy trading that featured mining shares during the month of November.

A tabulation of the transactions by weeks shows that in the month the total number of shares changing hands reached 59,685,227.

Taking the Standard Stock and Mining Exchange tariff of commissions this shows that the one-way commissions on these shares would be $747,712.

To complete a transaction there must be a selling order and a buying order which means a commission both ways, so that the total commissions would amount to double the one-way commission or $1,495,424.

Twenty stocks showed a total turnover for the month of over one million shares.

Bidgood was the leader in volume the total running over 3,400,000 with Tough Oakes second with 3,200,000 shares.

Neither of these is what can be called low price stock.

Four stocks selling over a dollar, were among the million traders. Bidgood 3,400,000, Howey Gold 2,500,000, Barry Hollinger 2,085,000 and Kirkland Lake Gold 1,574,000 or a total of close to ten million shares.

Averaging the first three at $1.25 and the last at $2.25 would give a total close to $15,000,000.

Two stocks, the two largest individual commission makers, Consolidated Smelters and International Nickel, each involved a total sum of $5,000,000 each. Brokers charge ½ per cent. on the money involved in handling this stock, so that the buying and selling commission of 1 per cent. would net the brokers $100,000 on these two stocks.

It is interesting to note the trend of prices for the month. The table attached gives the high and low for each week and the shares involved. It will be seen from this that it was not a runaway market despite the tremendous volume.

The move up was quite steady and not at all spectacular.

During the past week a good portion of the advance was wiped out in a couple of days raiding. In fact the market was quite strong one morning and that afternoon, the raiders got busy and pretty nearly took back the total gains of November.

It would be interesting, if there was any way of telling, to estimate the possible short interest reperesented in the above transactions.

Bidgood is an example. The principals in this operation control 1,000,000 shares of the 2,300,000 issued. Buffalo and Rochester hold 400,000 shares. Three Toronto men have 400,000 between them. One North Bay man has 200,000. This accounts for 2,000,000 shares. It is said that not one share of the million block was sold and the same applies to the North Bay block.

Where did all the trading come from? It might be pointed out that one broker at the end of the month had either in his box or at the bank over 400,000 shares.

In a good many cases the total transactions were close to the issued capital.

London interests held 4,000,000 shares of Tough Oakes. It is known that they sold a considerable amount of it. There was another 1,000,000 in the hands of the public, yet the total transactions represented over 3,000,000 shares.

Perhaps one or two large blocks of Howey have been liquidated but for the most part the shares are in the original hands, yet the transactions were equal to the issued capital.

Table Showing Complete Transactions on Page 20

Hollinger Acquires More Ground in Kamiskotia; Is Meeting With Success

Report is That the Official Statement Will Soon be Forthcoming

EXTEND T. & N. O. LINE

Area South-west of Hollinger Original Group Seems Attractive Part of Camp

A great deal of attention is being focused on Kamiskotia. There are reports that Hollinger will soon issue a statement on the results of work obtained. Lateral work has been in progress for some time now on the 125-ft. level. Nothing official is known in regard results met with, but engineers who have been in the section express the opinion that there is a surprise in store for all. There are many rumors. Some say that Hollinger has got as high as ten per cent. copper. Others say that it is low grade copper, but that lying alongside the copper body are various lenses that carry high in gold. These shoots are said to be of substantial length.

It is understood that Hollinger is making further payments to the prospectors and is also acquiring considerable new ground. It is said that some holdings in Jamieson have been dropped, but that other holdings to the south-west have been taken up. One of these is said to be the second Jamieson property which adjoins Kamiskotia Exploration. It is understood also that the O'Gorman-Sweet group and the LeClair properties have been taken up.

It is reported that Kamiskotia-Rouyn syndicate is making a deal with North Bay interests to take up a part of its holdings and that a company will be formed to operate it. This is the group adjoining the Jamieson which it is reported Hollinger has just acquired. There is a very interesting situation on this property. There are a number of diabase showing with a north-west, south-east strike and the copper bodies have an opposite strike. There are about eight veins opened up on the group and these give interesting surface assays in gold, copper and zinc.

There is a strong belief that the T. and N.O. will start work on extending its branch from Timmins into Kamiskotia during the present winter.

N.S. New Mining Laws Produced Real Results

Speculators in mining claims in Nova Scotia have killed the goose that laid the golden egg.

They cannot longer hold up development by sitting tight on a small holding in an important area with the alternative, an exorbitant price for their claim.

Revision of the Provincial Mining Law by the Rhodes Government removed this barrier from the pathway of mineral progress.

To-day the holder of mining properties in the province must work on them or get out.

Those interested in legitimate mining have not been slow to appreciate the change and the country at large and the province of Nova Scotia in particular, is beginning to cash in on the resultant developments.

Howey Gold's Financing Now Near Complete

Howey Gold Mines has $1,100,000 of new funds in the bank. One cheque is still to come. It is for $312,000.

By the first of the year, Jan. 1 and July 1, 1928 options will have all been taken up and the company will have an additional $1,400,000 cash in hand. The working capital raised by the initial stock issue is not yet exhausted.

Pres. Jack Hammell, in making the announcement of the success of his new financing, said he did not feel like going further into plans for the operation for the moment.

It is believed that Mr. Hammell has plans for power and rail transportation well under way. When these are completed, it is expected that a detailed statement of the company's position and the progress being made in opening out the mine, will be made.

Mr. Hammell says that good progress is being made in drifting on the vein.

Many anticipate that a mill announcement in regard Howey is just held up awaiting the completion of the power and transportation details.

Much New Activity in Clericy, Que., Area

From Our Own Correspondent

MONTREAL.—Marked activity, which it is said will be maintained throughout the winter is reported from the little mining village of Clericy and the several mining properties in that district. In the settlement itself, an active building campaign is going on. There are now some fifty buildings, comprising stores, houses, hotel and other buildings are in the course of erection. All this where a few short months ago, a board nailed to a post near the railroad track, at a point about half way between Taschereau and Rouyn, and on which was painted the name "Clericy," was all there was to indicate the site of Quebec's latest mining town.

Among the properties on which an aggressive campaign of development is being carried out is that of the Copper Hill Mines. There is also great activity on the Harvie property, and the Windfall property is now being surveyed by the Radiore Company. Several other properties in the neighborhood are active, and new indications of mine-making possibilites are being reported almost daily. It is prophesied by those having close knowledge of the present conditions and future outlook, that Clericy will soon assume a prominent position of its own as a mining centre.

Ontario Woman Lake Meeting is Called

Ontario Woman Lake shareholders are to meet December 17 to pass upon a proposal to sell the assets to a larger company so as to enable the scope of the operation to be materially widened. The new company will be capitalized at $4,000,000 and old shareholders will receive 10 new for one old.

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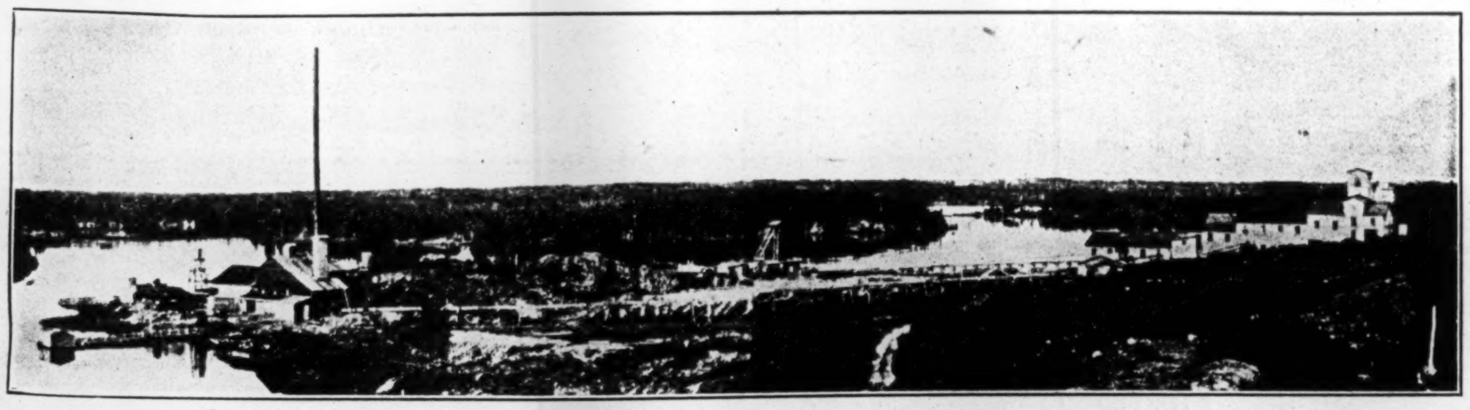

The above picture of Flin Flon operation in Northwestern Manitoba shows that the operation is pretty well along. This mill has been operating for a number of months applying the ore treating process worked out in laboratories in Denver, Col. It is understood that there has been little trouble treating the high grade ores, but that the low grade bodies presented considerable of a problem. The picture also gives a good idea of what the country looks like in this section, which is close to 100 miles back from the railway. A sketch map of the mineral holdings will be found in this section also.

NUMEROUS GROUPS ARE PUSHING WORK IN MANITOBA AREA

Central Section Has Number of Gold Properties Coming Along

Mining activities in Eastern and Northern Manitoba are expanding each year, and at present the mining and milling of gold ore are in progress on one property. Dr. J. F. Wright of the Geological Survey of Canada states that exploration by diamond drilling, shaft sinking and drifting is under way on ten or more properties, and discoveries continue to be reported from the older prospecting areas, and also from new and little known districts. Up to the present, however, Manitoba's mining districts have not been developed as rapidly as the camps of Ontario and Quebec, and this is at least due in part to the location of the Manitoba deposits in new and unproven areas, remote from well known mining camps and the railways. The success of a number of the operations now in progress in the Manitoba areas should greatly speed future progress, as public interest will then be focussed on these districts and transportation facilities provided to the more important developments.

In the Central Manitoba goldfield, 100 miles north-east of Winnipeg, the most extensive and important developments during the past year were on the Kitchener group, where the Central Manitoba Mines, Limited, completed the first unit of a 150-ton mill and outlined for stoping a three years' supply of ore. The mill has recently been thoroughly tested and Manitoba should soon again be among the gold-producing provinces. At present the 625 foot level of the Kitchener vein is being explored and the Tene 6 and Roger veins are also to be further explored by diamond drilling and drifting.

Some surface prospecting was in progress on the Eldorado, 2½ miles southwest of the Kitchener. Here a new mining plant has been installed and it is planned to explore this vein to the 500-foot level. Several gold prospects in the area between the Kitchener and Beresford and Moore Lakes were also explored in detail by surface trenching and sampling. In the Gem and Slate Lakes section, considerable surface trenching and test-pit work was completed and some favorable results reported. The San Antonia property along the north shore of Rice Lake has received considerable attention. Here some 1,200 feet of drifting and cross-cutting has been completed on the west end of the deposit, and on the east end it is being explored to the 300-foot level. A group of claims south of Beaver Lake is being thoroughly explored by the American Development Company and over 6,000 feet of diamond drilling has already been done. In the English Brook area portable gasoline plants were installed on the Betty and Ling properties and underground work is now in progress. Last spring the roads to these camps were greatly improved and electric power and telephone lines were built from Great Falls to the Kitchener.

In Northern Manitoba intensive experimental work continued throughout the year on the Flin Flon ores, and some underground work was carried on at several levels to more accurately determine the character of this large ore-body. The Sherritt-Gordon ore-body was also investigated by surface work and some diamond drilling. Several other copper-zinc properties in the area between Flin Flon and the Sherritt-Gordon were further investigated by prospect shafts and a few diamond drill holes. Northeast of Lake Winnipeg five prospecting parties were at work in the vicinity of Oxford, Knee and Gods Lakes. The Geological Survey completed a geological exploration of Island Lake and adjoining lakes to the northeast. This whole district is practically virgin territory, and the geological indications would justify certain parts being intensively prospected.

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THREE CONCERNS FOR KIRKLAND LAKE

Cambro-Kirkland Eastern and United Will Join the Operators

Kirkland Lake will have three more operations. Cambro Mines has been launched under favorable circumstances. It lies between Bidgood and Lebel Oro. Bidgood holds 195,000 shares in this company. Part of the claims include the major portion of Mud Lake, which has long been looked upon as very favorable ground. Gordon Summers, Haileybury, is president and Leo Erenhous, vice-pres., with W. B. McPherson, secretary-treasurer.

Another company soon to be launched is Kirkland Eastern. Like Cambro mines its issue of stock for preliminary work was over-subscribed. It takes in part of the Powell claims in Gull Lake. Jas. Rattray, Cobalt, will manage the operation.

Strong interests have rounded up United Kirkland which adjoins Macassa and Kirkland Lake Gold, and it is understood that financing is about completed.

PAWNEE BUYS CLAIMS

Pawnee Mines, Kirkland Lake, is reported to have purchased a number of additional claims to the west of its original holdings.

SEVERAL GROUPS IN QUEBEC AMALGAMATE

Duprat and Other Holdings Adjoining Amulet go Into Rhyolite Mines

Rhyolite Mines is the name of a new company for the interesting Amulet-Area section of Quebec. Rhyolite is a consolidation of a number of properties and the final move to put the deal through was taken early this week when shareholders of Duprat gave their approval to the amalgamation. Full details of the amalgamation are not as yet available, but it is understood that the complete holdings of the company will give a property equal in size to Waite-Montgomery.

The new company is capitalized at 5,000,000 shares, of which 3,000,000 are to be issued in full payment for all the properties, thereby leaving 2,000,000 in the treasury. A block of 50,000 shares has been underwritten.

Duprat turns in two groups of claims and receives 500,000 shares of the new company. Duprat itself continues in possession of about 5,000 acres situated in various other parts of the field, including Montbray.

The so called "Nipissing" claims which adjoin Amulet and Perron claims are also included, together with the entire holdings of the original Rhyolite Company.

MINING STOCK QUOTATIONS
Week Ending December 6

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close Dec. 6	Sales for wk.	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low
Abana	1	....	....	3.00	2.60	2.80	27825	....	....	4.05	.20
Aconda	1	....	....	35	28	31	230175	....	....	45	14½
Afton	1	....	....	1.26	1.24	1.26	3540	....	....	1.26	1.00
Algonquin	1	....	....	4	3	3	24000	6¼	1½	5¼	2
Allied M.	.	....	....	....	....	....	....	....	....	5.51	2.70
Amity C.	.	....	....	47	40	40½	125470	....	....	50	24½
Amulet	1	....	....	4.80	3.85	4.00	245588	2.98	.90	7.10	.85
Apex	1	....	....	7¼	5¼	7¼	218575	6	2¼	7¼	1
Area	1	....	....	.41	.30	.30½	102850	1.55	.21	1.95	.23
Argo. Con.	1	....	....	37¼	30	33½	222250	76	18½	59	25
Archean	.	....	....	....	....	....	....	....	....	18	17
Atlas	1	....	....	6¼	5	5	147600	....	....	7	2
Baldwin	1	....	....	3¼	3	3½	66600	6¾	1	5½	1
Bedford	.	....	....	52	42	43½	458650	....	....	52	19
Barry Holl.	1	....	....	1.22	1.01	1.10	463945	1.00	.21	1.50	.25
Beaver	1	....	....	2.15	2.01	2.09	45100	.99	.51	2.75	.59½
Bellellen L.	1	....	....	....	....	....	....	....	....	23½	3
Bidgood	1	....	....	1.83	1.51	1.64	723760	.9¾	.4½	1.83	.5
Boischatel	None	....	....	7	5	5	56200	....	....	27	3
Bourlamaque	1	....	....	....	....	....	....	1.45	1.02	1.53	.50
Buckingham	1	....	....	7½	6	6	63200	7¼	2	9½	3
Bunker Hill	10	....	....	141	133	141	100	....	....	160	75¾
Can. Lorraine	1	....	....	23	18	18	8200	93	57	72	10
Capitol S.	1	....	....	22	19¼	19¼	8400	48½	24	34	14
Capitol R.	.	....	....	12	11	12	140800	43	26	54½	10
Castle Tre.	1	....	....	.88	.80	.85	24325	1.85	.91	1.27	.61
Cen. Manitoba	1	....	....	2.15	2.03	2.06	96200	....	....	2.30	1.07
Chaput H.	1	....	....	14	12	12½	84050	22	3¾	15	4¾
Clifton	1	....	....	1½	1¼	1¾	1500	6½	1	3½	½
Coast Copper	5	....	....	16.50	16.00	16.00	680	....	....	22.00	9.75
Col. Kirk	1	....	....	9¼	7	8	127400	6¼	2	16	1½
Coniagas	5	....	....	4.80	4.50	4.75	2325	4.85	3.00	5.05	3.20
Coniaurum	5	....	....	5.60	5.30	5.45	4540	4.60	3.00	5.78	2.80
Cons. Smelter	25	10+5	5.60	274½	264¾	268	15509	265	177¼	274½	215
C. W. Dome	1	....	....	....	....	....	....	29½	14	19	4
Copper Hill	1	....	....	58	55	58	28850	....	....	68	36
Corona	1	....	....	13½	12	12½	98250	37½	20	37	10
Crown Res.	.	....	....	68	54	58½	196275	....	....	80	39
Davidson	1	....	....	....	....	....	....	3	1½	3	1
Destor	1	....	....	....	....	....	....	41	40	43	25
Dome Mines	None	$1	7.70	13.95	12.95	13.00	15246	20.00	8.00	14.60	6.85
Dom. Lead	.	....	....	....	....	....	....	....	....	1.73	1.05
Dom. Kirk	1	....	....	9½	7¼	7¾	47500	....	....	12	1½
Don. Rouyn	1	....	....	23	20	20	30800	61	25	56½	17½
Dubec	.	....	....	.65	.50	.58	10585	....	....	1.48	.35
Duprat	1	....	....	13	11	12	55725	....	....	21	10
Dupuy	1	....	....	55	55	55	1000	....	....	79½	9
Everett	1	....	....	3	3	3	20200	12¼	3¼	5½	1¼
Federal Kirk	1	....	....	69½	60	62	32700	....	....	72	40
Fiske	1	....	....	9	8	9	4000	....	....	30½	5
Fisher, Que.	1	....	....	....	....	....	....	....	....	2.20	.50
Gifford	1	....	....	....	....	....	....	....	....	1¾	½
Gladstone	*10	....	....	....	....	....	....	....	....	29	14
Goldale	1	....	....	49	42¼	42½	96720	43	24	51½	20
Gold Hill	1	....	....	40	31	33	398750	73¼	25	54	22
Gold Ore	.	....	....	....	....	....	....	....	....	2.45	.50
Gold Reef	1	....	....	1½	1¼	1½	8000	5	1	2½	½
Granada Rouyn	.	....	....	41	30	32	942100	....	....	41	14½
Grover Daley	1	....	....	15¼	12	14	89400	32	18	37	8
Harvie Exp.	None	....	....	.90	.70	.80	3050	....	....	2.40	.70
Hillcrest c.	100	6	10.00	....	....	....	....	65	55	65	60
Hillcrest, pref.	100	7	8.23	85	85	85	5	83	79½	90	81¼
Hilltop	1	....	....	24	20	21	96200	31¾	20	25	6½
Hollinger	5	26	7.64	17.35	17.10	17.25	6585	21.00	16.75	22.65	16.40
Howey Gold	1	....	....	1.50	1.35	1.36	226020	....	....	1.78	.42
Indian	1	....	....	....	....	....	....	14½	2¾	12	-4
Int. Nickel	25	$2	2.89	72¾	66¼	68¾	86988	46	32¼	75	38
Jackson M.	1	....	....	81	73	73	844600	....	....	85	36
Jay Copper	.	....	....	....	....	....	....	1.10	.73	1.26	.30
Keeley	1	16	21.33	.80	.74	.75½	18635	1.91	1.39	1.66	.70
Keora M.	1	....	....	6	4½	4½	5700	22	11	13½	2
Kirk. G.B.	1	....	....	....	....	....	....	....	....	1.29	.75
Kirk. Hunt.	1	....	....	30	25	25¼	158250	34	8½	35½	10
Kirk. Lake	1	....	....	2.63	2.38	2.57	124285	1.44	.69	3.06	.82
Koot. Florence	20c.	....	....	29	24½	28½	122150	....	....	29	22
Lebel Oro	1	....	....	60	50	50	51600	....	....	66	30
La Rose	1	....	....	5¼	5½	5½	2700	39	4	12	3
Lake Shore	1	40+10	1.93	26.85	25.70	25.85	16153	16.50	9.50	28.20	15.04
Lakeside L.	1	....	....	....	....	....	....	10	1⅛	6	½
Laurier	.	....	....	45	45	45	100	....	....	65	45
Laval	1	....	....	33	25	27½	218200	45¾	21	59	19½
Lorrain C.	1	....	....	1¾	1½	1¾	2000	15	2	3½	1
Lorrain T.L.	1	....	....	....	....	....	....	1.10	.30	.86	.25
Macassa	1	....	....	59	48½	50¾	174207	43	22	69	18
Malartic	.	....	....	65	50	52	277200	....	....	65	23½
Marclay	1	....	....	....	....	....	....	35	20	42	34½
Marriott	1	....	....	40	37	40	2750	....	....	45	35
McDougall	1	....	....	60	50	51½	290600	....	....	90	24
McKinley	1	....	....	18½	18	18½	15200	26	8½	25½	11
McIntyre	5	20	3.80	27.65	26.25	26.25	5022	29.75	22.70	29.00	24.00
Mentor	10	....	....	....	....	....	....	....	....	14.00	12.00
Millcrest	1	....	....	9¾	8½	9	68000	21½	3½	14	2
Mining Corp.	5	25c.Int.	...	4.82	3.85	4.07	153025	4.45	2.60	5.05	2.90
Moneta	1	....	....	10	10	10	2700	18	11	15½	8¾
Montreal R.	1	....	....	18	16	17	12895	60	13	33	10
Newbec	1	....	....	.75	.63	.64	102550	....	....	1.20	.63
Newray	1	....	....	....	....	....	....	45	31	50	28
Night Hawk	1	....	....	9	6½	8	271800	17	3¼	10½	4
Nipissing	5	6	4.68	6.80	6.30	6.40	9875	9.25	4.95	10.30	5.25
Noranda	None	....	....	25.35	23.80	24.00	27984	24.75	12.00	28.50	19.95
Ophir	1	....	....	3½	3½	3½	275	4¼	½	4¾	¼
Osisko	.	....	....	.46	.45	.45	6500	1.94	1.05	1.75	.35
Pawnee Kirk.	1	....	....	70	60	62	70552	....	....	74	54
P. L. Cobalt	1	....	....	6	4½	6	22000	32	14½	18	2
Porc. Crown	1	....	....	6¾	5½	5½	27000	12	4	11	3
Pioneer	1	....	....	.64½	.57	.58	43350	1.22	.66	1.18	.45
Potter Doal	None	....	....	24	20	22	177250	....	....	65	10½
Premier Gold	1	32	13.44	2.38	2.35	2.38	11505	2.75	1.83	2.50	1.86
Preston	1	....	....	5	5	5	1000	9¾	4	7	3
Realty & Mines	2	....	....	21	15	16	46600	....	....	38	15
Ribago	1	....	....	33¼	27	28	145050	....	....	87	13
Rouyn	1	....	....	....	....	....	....	9	1¾	5	1
Rouyn Gold	.	....	....	3½	3	3	14500	....	....	4	2½
Rouyn, Que.	1	....	....	....	....	....	....	4½	1¼	4¾	1
Rubec	1	....	....	1.45	1.25	1.25	60670	....	....	3.65	.98
Silver Leaf	.	....	....	....	....	....	....	....	....	1¼	1
San Antonio	.	....	....	57	42	54	544836	....	....	57	30
Siscoe	1	....	....	25	20	20	2100	....	....	60	12
South Keora	1	....	....	....	....	....	....	35½	5	64½	4½
Stadacona	None	....	....	25	18½	19	284580	51	40	55	13
St. Anthony	1	....	....	44	42	42	5250	....	....	50	16
Sud. Basin	1	....	....	8.85	7.00	8.25	33280	....	....	8.85	4.00
Sylvanite	1	....	....	4.30	3.95	4.00	13600	....	....	4.80	2.60
Teck Hughes	1	10+5	....	11.95	10.00	10.35	292825	5.55	2.64	12.00	5.27
Thomp. Krist	1	....	....	....	....	....	....	3½	1	2	½
Tough Oakes	1	....	....	78	60½	64	577220	66	36	82	25
Towagmac	1	....	....	4.10	3.80	4.00	12053	6.10	3.15	5.75	2.85
Timiskaming	1	....	....	10	9	9	15500	15¼	6	10	4
Treadwell Y.	1	....	....	21.50	20.00	20.25	2700	....	....	26.75	18.50
Vic. Silver	1	....	....	....	....	....	....	96	3¾	14	1½
Vickers	1	....	....	.60	.60	.60	4650	1.22	.13	1.52	.25
Vipond	1	....	....	.86	.73	.73	52165	2.02	1.49	1.75	.47
Wakenda	1	....	....	13	7½	11½	81400	3¼	1	16	1
Wasapika	1	1	....	....	....	....	....	4	1	2	1
West D. Lake	1	....	....	16½	14	15	95600	....	....	20	8
West Tree	1	....	....	....	....	....	....	....	....	4½	1
Wettlaufer	1	....	....	....	....	....	....	10	2	4¼	1½
Wiltsey C.	1	....	....	66½	63	65	41750	....	....	74	50
Wright Har.	None	20c.	2.98	7.10	6.70	6.70	113895	....	....	8.45	5.50
Ajax Oil	1	....	....	70	54	70	45450	....	....	70	6½
Petrol Oil	.	....	....	17½	13	15	5000	....	....	20	7
Trojan Oil	.	....	....	....	....	....	....	....	....	8.60	4.00
Vac. Gas	1	....	....	14	10	13	10500	....	....	26	3

Malartic Got High Values in Deep Holes

Malartic Gold Mines shaft is now down 150-ft. The goal aimed at for the present is 500-ft., where considerable lateral work will be undertaken. It is understood that the company met with excellent results in diamond drilling and that values around $18 per ton were secured at a depth of 1,200-ft. The ore in this section of Quebec is very rich in free gold.

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SINK CROWN RES. SHAFT TO 1,200-FT., OPEN 5 NEW LEVELS

Managing Director Looks Forward to Time When 500-ton Mill Warranted

Leo Erenhous, managing director of Crown Reserve Consolidated Mines operating in East Boston Creek area, has forwarded shareholders a letter outlining the position of the operation. He announces that it has been decided to sink the shaft to 1,200-ft. and open up five new levels. He says that sufficient funds are assured and he looks forward to putting enough ore in sight to warrant the erection of a 500-ton mill. His letter reads:

Toward the end of May, 1927, the finances of your company were satisfactorily arranged and work was resumed on your property at Larder Lake under my direction.

Up to the 30th day of November, 6,501 feet of diamond drilling had been accomplished, part on the surface and part from the 800-foot level underground. The mine was carefully examined and the treatment of the ore considered.

As a result, the following facts have been ascertained and conclusions arrived at:

First—That the formation in which all the ore in the mine has been found is now proved to exist to 2,130 feet vertically below the surface, the greatest depth reached by the drills.

Second—That apart from the main fault which lies in or alongside the vein, there is no evidence of faulting which would either cut off or disturb the vein.

Third—Several vein formations were intersected varying in width from 5 to 20 feet, showing interesting gold values.

Fourth—The vein system has been proved to be at least 2,000 feet in length and the end has not been reached, nor have the limits of the ore bodies been determined.

Fifth—There is no great difficulty connected with the treatment of the ore, and the ore at present developed can be treated at a profit.

As a result, a contract has been let to sink No. 1 shaft from 575 feet to 1,200 feet and the main vein will be opened up on five new levels, also several other veins known to exist and vein structures disclosed by the recent diamond drilling will be explored.

Satisfactory financial arrangements have been made and the treasury is assured enough money to carry the above programme to completion.

I look forward with confidence to this programme of exploration and development putting in sight enough ore to warrant the erection of a mill to treat 500 tons daily.

Stadacona Picks Up Noranda Diabase

MONTREAL.—The diabase dyke located on the Stadacona Rouyn property has been identified as the southern continuation of that found on the Noranda property, which proved to be rich in mineralization. R. Anderson, secretary of the company, who has just returned from Rouyn, reports that the results of the recent work done on the property are most encouraging. Approximately 3,000 feet of diamond drilling has been done on Block Eight, south of Noranda. Twelve holes of an average depth of 250 feet have been put down, the deepest one being down 519 feet.

In one hole near the diabase dyke, 40 feet of sulphide mineralization has been encountered. In another, south of Edward Lake, in low lying swamp ground, a greatly altered ryholite was found.

In order to concentrate drilling efforts, an electrical survey, conducted by the Radiore Company, has been started. Both sides of the diabase dyke throughout its length of a mile and a half will be thoroughly surveyed, and later drilled. Two company-owned drills are kept working on three shifts of eight hours each at the present time. Murray Kennedy, engineer in charge, states that the work being done on Stadacona Rouyn will have very satisfactory results.

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Electrical Survey Being Made on Makamic Group

MONTREAL.—Development work on the Makamic Mines is going on steadily. Fifteen men are at present employed on an electrical survey and surface work. It is expected that the electrical survey will be completed in about two weeks' time. The geological formation is said to be very good and to have shown evidence of excellent mineralization. The company will start an extensive diamond-drilling campaign as soon as the electrical survey is completed. It is also reported that the Hon. J. L. Perron, Minister of Roads for the Province of Quebec, is now the legal advisor of the company. J. E. Alain, president of Victoriaville Furniture Company, Victoriaville, P.Q., and Adelard Deslauriers, contractor of Quebec, have been appointed directors of the company.

TECK WILL HANDLE $20 ORE IN 1928

New Mill Will Retain Substantial Average, But Old Mill Will be Lower

General manager D. L. A. Forbes, of Teck Hughes mine told shareholders at the annual meeting that 1928 costs should run between $6 and $7 per ton. With these costs, $4 ore may be handled in the old mill.

Production of 850 tons daily will be maintained until further exploration warrants expansion. Six months' work will be necessary to demonstrate this.

Gross recovery of gold per ton from both mills in October was between $207,000 and $280,000. Average mill heads were between $17 and $18. The average gross production from the new mill in 1928 might be as much as $300,000 a month. The old mill will be on a decreasing grade of ore as the new mill speeds up, and will begin re-treating tailings in another year. The new mill should average $16 to $20 in mill heads in 1928. The grade of ore going through the new mill at present runs from $21 up to $25 a ton, but Mr. Forbes told shareholders he does not think this average can be maintained all through 1928. He guessed that the average grade of ore going through both mills next year would be about $20 a ton.

Mr. Forbes said that the mine has been getting richer in the last 600 feet, but levels varied. The average grade of ore from the ninth to the nineteenth levels was better than $20, and said it might be as high as $25.

The six new levels opened up in 1927 were not quite so wide in ore as the famous thirteenth level had been, but there was more uniformity of values. On the thirteenth there had been lean sections, but they found ore widths in places up to 35 feet. They had so far not struck such a width as this on the six new levels. but development has really been nicely started. In fact, the ore lengths given were really only on initial developments. He said Teck Hughes had ore in sight for several years and expected that the life of the mine would be extended considerably from work to be done on the new levels.

SMELTERS TO SPEND $2,150,000 ON BIG MISSOURI PROPERTY

Will Underwrite Two Million Bond Issue When Concentrator is Needed

There has been considerable disappointment on the coast, that a real market has not developed in the shares of Big Missouri, an operation in Portland Canal area, North of Bust Consolidated, since Consolidated Mining and Smelting took it over. The shares showed some strength for a time and then suddenly eased, and are now selling around 26 cents. The full details of the Big Missouri deal, involving as they do, three companies are well outlined by R. P. Clark of Vancouver Limited. They say:

Big Missouri Co., capital $5,000,000, shares $1 par, has outstanding about 950,000 and 2,500,000 held in escrow by the Standard Mines Corp., who organized Big Missouri Mining Co. approximately two years ago.

Shares of Standard Mines Corp. are held principally by Tacoma interests, but we understand there are approximately 25,000 shares held by outside interests. A holder of one share of the Standard Mines is the owner of three shares of Big Missouri which are held in escrow and we understand that it will be a year at least before these shares are free. An advertisement appearing in the Vancouver dailies recently offered a limited amount of the Standard Mines at a price of 60c. a share, stating that in reality, in purchasing these shares, they were buying Big Missouri at 20c. a share. Such shares were offered by outside interests, but we understand that the Tacoma people are holding their shares, being of the opinion that Big Missouri is one of the biggest mines in the province and that substantial returns in the way of dividends will be made as soon as the property has been fully developed.

When the Consolidated bought the control of the Big Missouri, in order to go through with the deal, Big Missouri was asked to put up approximately $75,000, being payment due on their half of the property, and to clean up all outstanding debts. To do this, the Tacoma people bought a block of approximately 750,000 shares of Big Missouri from that company, paying 10c. a share for these. This was, of course, done before the Consolidated would go through with the deal and before the shares were quoted on the Vancouver Stock Exchange. Vancouver brokers, being of the opinion that only 200,000 shares were then issued, considered the stock an attractive purchase and in some cases advised their clients to buy for a quick turnover.

When the stock was listed, however, the Tacoma interests sought to dispose of their block of 750,000 shares purchased at 10c., and it is understood that the market absorbed the majority of this block around 30c. However, those people who bought the stock for a quick turnover, seeing the large blocks placed on the market, endeavored to dispose of their holdings, and this knocked the price down to present levels. Negotiations are at present under way whereby the remaining shares will be disposed of privately.

Big Missouri, with 3,500,000 shares issued quoted at 26c., would give their half interest in the mine a value of approximately $1,000,000, and the Consolidated, also owning a half interest, would give the property a value of approximately $2,000,000.

It has been stated by reliable mining engineers that ore blocked out on the property to date is worth approximately $4,000,000, and on that valuation would give the shares of the Big Missouri a value of double their present price. This tonnage has been blocked out within the last two years by the expenditure of around $200,000 by the Standard Mines Corporation; and the Consolidated will spend in the neighborhood of $150,000 on further development and have also agreed to underwrite a bond issue of $2,000,000, this money to be spent on development and on the erection of a concentrator, etc.

In the hands of the Consolidated this money should develop larger reserves, and many reliable authorities claim that, with the expenditure of large sums on this property, one of the largest mines in Canada will be the result. Besides the Big Missouri, the Consolidated have at the present time under active development three other mines in the Coast Copper, Sunloch, and George Copper.

Abana Will Produce During Coming Year

Abana Mines' directors, at a recent meeting, went over the expansion plans which Chas. Spearman, consulting engineer, has prepared for the operation, and gave them their approval. It was definitely stated after the meeting that Abana will produce in 1928. It was also announced that sufficient ore has been uncovered to insure 5 years' milling operation. It is proposed to start with a 200 to 250-ton concentration. The idea is to produce 40 or 50 tons of concentrates daily until such time as railway facilities are available, as it is estimated that it would be difficult to build a wagon road out that would take care of any greater tonnage.

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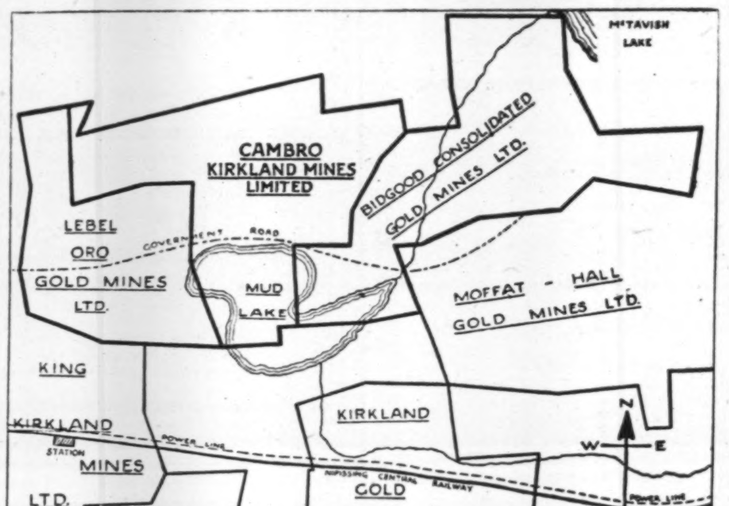

Authorized capital $3,000,000, with par value of $1 per share.

Property	The company owns outright 9 patented mining claims, containing in all 340 acres. The eastern boundary of the property fronts on the western boundary of Bidgood Consolidated Mines Limited
Geology	The area embraced by the property of Cambro Kirkland Mines has the same geological conditions as those of its neighbor, Bidgood, and one outcropping of the Bidgood vein system is visible on the shores of Mud Lake.
Development Campaign	Prior to starting actual mining operation, an economic diamond-drilling program is to commence immediately.
Financing	The sum of $165,000 has been provided to commence actual mining operations and to equip the property with mining plant buildings, etc.
Directorate	Gordon F. Summers, Haileybury, President; Leo Erenhous, President of Bidgood Consolidated Mines, Vice-President; R. Yacht Campbell, Haileybury; Robert R. Brown, M. E., Toronto; W. B. McPherson, Secretary-Treasurer, Toronto.

We regard the operation of Cambro Kirkland Mines as an outstanding development directed by a responsible group of mining men associated with successful properties. The management will be in the hands of a competent operator intimately familiar with the Kirkland Lake camp.

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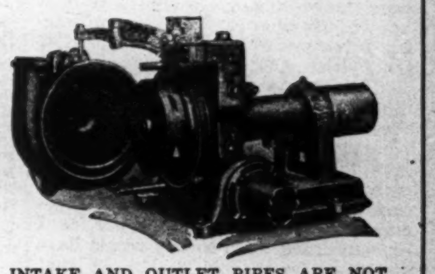

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Thank God, then, for the promoters and their promotions in whatever phase of civilization's advance they may have operated. Were it not for the promoters, we would still be clothed in animal skins and living in caves, with stones the implements of our simple needs.

As for our mining promotions. Without these we would have no Hollinger, no Sullivan, no International Nickel, no Lake Shore or Teck Hughes, no Noranda. Without these Canada today would not be in the front rank of the world's mineral producers. A surprisingly large promotion of our present happily employed population would be seeking jobs elsewhere.

Let's, then, have more mining promoters, more promotions—legitimate, honest efforts, of course—so that as time goes on we may have more mines like those we now boast. Every new mine means an addition to our national wealth, a source of employment, a blessing all round, and brings us one step nearer the "place in the sun" which Canada, as a nation, seems destined to fill.

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MILLIONS SLIPPED FROM HANDS OF ENGLISH GROUP

(Continued from page 17)

sults are found in the bold and successful attack we have been making on northern development. We should not go to England or any other country with hat in hand and beg for capital. We now are capable of providing the capital required for mining development from the wealth of our own people. We are ready to welcome outside capital, but we must not take the attitude of the suppliant. It is an attitude that unfortunately has been adopted by some of our leaders when they made their trips abroad. When we require capital let us not go begging to England, but turn to our own people."

Might Have Had the Plums

Mr. Tyrrell has seen the tragedy caused by a lack of understanding and appreciation on the part of British mining engineers and capitalists as to the possibilities of Canadian mining. The mining capital of the British Isles might have controlled almost all the rich mining resources of Ontario, if British capital had accepted the advice of qualified Canadian mining men.

It was the sum of a vast experience that Mr. Tyrrell offered British capital when he first became associated with a powerful group of British capitalists whom he represented in Canada for many years. He was asked if he would say anything as to the opportunities this company lost through failure to take up the mining properties or interests in mining properties which Mr. Tyrrell secured for them, or recommended them to take, at various times. Among prominent mining men it is well known that these potential interests would have been large, but probably it is now known just what this collection of mining investments would have meant to the British group.

"I know no reason why it should not be known," said Mr. Tyrrell, after considering the question a moment. "Some years ago when I was in England to meet the board of the company, I presented them with a memorandum of what the options I had secured for them or the properties I recommended them to buy would have amounted to in cold cash. At that time their profit would have been $64,000,000. I have not figured out what the amount would be to-day, but I believe it will considerably exceed that figure."

"Would you name some of the properties in which these capitalists could have secured interests?" was asked.

A Sixth Interest in Hollinger

"Well, there was Hollinger to begin with," Mr. Tyrrell replied. "Mr. Noah Timmins gave them an option on a one-sixth interest in the original company at a figure of $400,000. I recommended that this be taken up. Due to capital increase this would represent a one-twelfth interest to-day, amounting to more than eight millions, figured at $20 per share, together with the dividends accruing to such an interest which would mean a few more millions.

"At that time Hollinger had a shaft down 200 feet and had drifted for 200 feet. I was one of the few engineers who were confident that Hollinger would become a big mine. Perhaps this was because I had spent so many years travelling over our pre-Cambrian rocks. When one has given his life to geology and exploration and journeyed thousands of miles over the north country, he is certain to know something of the fundamentals. That is where the British engineer and the Canadian engineer do not always see eye-to-eye.

"Our Canadian formations hold primary deposits of minerals; therefore many of these deposits are certain to go deep. The minerals found in the Rockies are mostly in secondary deposits. Our pre-Cambrian deposits are basic. The secondary deposits which once existed above the present surface of the pre-Cambrian have been eroded off.

"That is why Canadian mining in the pre-Cambrian shield can be compared with few other mining fields. That is why our possibilities are so great. That is why we have had to master our own problems, put our own money behind them and see them through.

"So Hollinger was 'turned down' by engineers from other countries. They thought it would peter out before going very deep. They did not appreciate the important fact that Hollinger ore was 'primary.' I was certain that one could not go wrong by making an investment in the mine.

"My English directors did not exercise that option. It was not even considered seriously, the same interest was sold to Berwick, Moring & Co. for a considerably higher figure.

The Keeley and Frontier

"Another opportunity was passed when, in 1911, I advanced the theory that the 'Woods' Vein at the Keeley and Frontier mines in South Lorrain was the main ore-bearing vein of the South Lorrain area. These properties could then have been secured at most reasonable figures, and as everyone knows, they were taken up years afterwards and have produced many millions in silver.

"When the Kirkland Lake district was first opened up I secured an option for a small figure on a majority interest in the Wright-Hargreaves mine. This mine is worth between thirty-five and forty millions to-day on a market valuation. The dividends of course have been and will continue to be for years to come a large source of wealth.

"The last experience I had with this company, prior to resigning, was when I secured the Kirkland Lake mine. Half of the interest I secured for them was taken by them. I was obliged to provide the other half of the option money myself. The English group disposed of their holdings at a very low figure, since which time the stock has tripled in value. The English company did take up certain other recommendations and made considerable money, but they failed to secure the great opportunities.

"Do not get the impression that I set myself up as an oracle in Canadian mining; that is farthest from my thoughts. But my experience with a powerful group of British capitalists convinces me that there is a very great gulf between the Canadian mining man who knows his field and its great possibilities and the English capitalist or engineer who stays in London and judges Canadian mining by the standards of other countries. Until that gulf has been bridged there is little possibility of a co-operation that will be beneficial either way and we, ourselves, must get on with the business of making our own country.

The Source of Education

"I believe that if this gulf is to be bridged we must get to the root of learning, and the geologist is the man who will eventually place Canadian mining in its proper place. One may think of geology as an academic science; this is far from the facts. The economic geologist is a man who finds or shows someone else how to find ore in paying quantities. It is my belief that the British geologists who come to this country as individuals rather than with large bodies, and who spend their time on the rocks and in the mines under the best auspices will in time change British conceptions of Canadian mining. It is with this purpose in mind that I have established the fund for assisting the British geologist to see Canada as it should be seen. Something may come of the fundamental knowledge they carry home to other engineers and students? The co-operation of governments and railways would go far to assist such a movement, modest as the beginning may be."

The famous scholarships of Cecil Rhodes, South Africa's great mining genius, carry the outstanding students of the overseas dominions to the British seats of learning. Mr. Tyrrell has reversed the process by establishing a scholarship for advanced geologists that will bring the old land to the new.

The founder of this fund holds the firm conviction that Canada's mining future is now a matter of geometric progression; Canada is truly master of its own destiny but ready to meet the world half-way on a basis of intelligent understanding and scientific enlightenment.

Brokers Fees Reached Huge Total in November

November Mines	1st week Shares	H.	L.	2nd week Shares	H.	L.	3rd week Shares	H.	L.	4th week Shares	H.	L.	Total sales	Approx. commission
Amulet	127,550	5.09	4.65	105,330	5.00	4.75	139,906	5.55	4.85	171,156	5.15	4.47	543,942	$ 27,195.00
Abana	3,790	3.30	2.90	10,775	3.25	2.78	12,200	3.05	2.75	5,235	3.00	2.60	32,000	960.00
Aconda	822,200	40¼	30	345,350	38	32	911,425	45	32	309,100	38	31	2,388,075	17,910.00
Afton	8,415	1.18	1.12	3,600	1.20	1.10	900	1.22	1.20	2,925	1.24	1.18	15,840	316.00
Algonquin	56,000	2¾	2½	509,100	5¼	2½	183,200	4¾	3	94,500	4	3	842,800	1,263.00
Amity C.	104,570	37	34	173,850	39	36¼	511,650	50	38½	275,870	49	44	1,065,940	7,993.00
Apex	4,100	2½	2	91,100	5½	2½	80,200	5	4	177,525	5¾	4¾	352,925	628.00
Area	210,210	48	38	49,500	44	40	322,260	63	39	125,150	47	36	707,120	5,302.50
Argo. Cons.	214,990	41	33	182,425	40⅝	36½	293,350	47	36	264,275	39½	35	955,040	7,162.50
Atlas	200,150	5½	4	313,100	6½	4⅞	153,400	6	3¾	313,400	6	4½	1,133,950	1,700.00
Baldwin	55,250	3	2½	510,650	5½	2½	283,850	5	3	139,300	4	3¼	989,050	1,484.00
Barry-Hollinger	229,330	94	92	261,920	1.22	90½	966,080	1.50	1.11	628,025	1.37	1.12	2,085,355	41,706.00
Bedford	57,800	31	25	235,200	33	30	470,100	49	31	228,600	46	37	991,700	7,440.00
Beaver	48,150	2.16	1.88	378,715	2.50	2.13	154,300	2.75	2.12	94,550	2.20	2.00	675,715	19,271.00
Bidgood	750,900	1.25	98	440,325	1.25	1.05	1,515,682	1.80	1.15	772,985	1.75	1.47	3,479,892	69,598.00
Boischatel	33,500	4	3	37,750	5	3	423,200	9½	4	143,800	8½	6	638,250	5,219.00
Buckingham	344,100	8	7	316,700	8½	7	265,650	8¾	6	131,700	8½	7	1,058,150	3,174.00
Bunker Hill	445	120	120	100	130	128	10	131	131	50	133	133	605	1,512.00
Can. Lorrain	14,450	16	15	23,725	20	15	26,300	24	20	6,800	24	20	71,275	355.00
Capitol S.	4,200	20½	20	26,600	22	20	21,400	22	20	14,100	22	20	66,300	330.00
Capitol R.	126,600	15¾	12	118,800	13¾	12½	76,400	13	11½	126,650	13¼	10	447,950	2,240.00
Castle-Trethewey	18,000	82	78	39,057	87	80½	27,400	88	84	33,575	90	84	118,032	1,770.00
Cen. Manitoba	25,050	1.90	1.79	51,300	1.88	1.76	71,495	1.89	1.70	426,808	2.30	1.70	574,653	11,492.00
Chaput H.	35,000	13	11	147,550	14½	10	104,250	14	11	167,000	14	12	453,800	2,165.00
Clifton	....	..	..	2,000	1½	1	4,000	2½	2	9,500	2	1½	15,500	22.50
Coast Copper	....	..	..	75	15.00	15.00	1,260	17.00	14.00	850	17.00	16.00	2,185	315.00
Col. Kirk.	349,950	7	6	1,700,000	12½	7	542,400	10	7	292,950	10	7	2,885,300	7,655.00
Coniagas	700	4.30	4.00	1,275	4.50	4.25	540	4.60	4.25	3,440	4.80	4.30	5,955	245.00
Coniaurum	2,231	5.75	4.95	2,067	5.15	5.10	1,230	5.75	5.10	4,861	5.78	5.40	10,389	772.50
Cons. Smelter	1,461	252	248	376	250	245	2,320	256	246	20,067	274	251	24,224	4,840.00
Copper Hill	....	..	..	1,500	60	55	17,000	56	54½	35,000	57	53	53,500	530.00
Corona	187,600	15	12½	298,700	17½	13½	159,400	16½	13½	133,100	14	12½	778,800	3,890.00
Crown Res.	55,310	52	42½	282,859	74	48½	502,175	80	50	260,361	74	59	1,100,705	11,000.00
Davidson	....	..	..	....	..	..	9,000	3	3	44,000	2	2	53,000	80.00
Dome	16,811	11.50	10.40	10,407	11.60	10.85	41,308	12.90	10.75	66,200	14.60	12.50	134,726	2,020.50
Dom. Kirk.	64,900	10	9	112,700	10½	8	75,600	10½	9	60,200	10	8½	313,400	939.00
Dom. Rouyn	27,400	22	20	22,800	22	20	34,800	25	20	18,551	22½	20	103,551	515.00
Dubec	6,850	46	40	6,200	44	40	13,850	58	40	15,235	65	50	42,135	772.50
Duprat	66,672	12¼	10½	169,275	14	10½	109,800	13¾	12	141,550	13½	12	487,297	2,435.00
Dupuy	....	..	..	1,600	60	58	5,500	59	55	3,100	55	40	10,200	100.00
Everett	6,100	3	2	60,000	5	2⅛	72,600	4¾	3	20,500	3	2½	159,200	240.00
Federal Kirk.	15,550	55	50	74,000	61	55	123,000	72	59	74,200	71	62	286,750	2,860.00
Fiske	1,500	12	11	13,200	12	10	5,250	11	10	3,500	10	8	23,450	115.00
Goldale	79,300	41	36½	213,350	46	40¼	286,530	51½	40¾	148,950	50	45	728,130	5,460.00
Gold Hill	105,660	31½	29	153,167	31½	29	195,237	35	29	909,950	40	33	1,364,014	10,230.00
Gold Reef	....	..	..	....	..	..	......	..	..	28,000	2	1½	28,000	42.00
Granada Rouyn	109,650	18¾	15⅛	380,850	24	17½	544,075	29	21	1,264,621	36	25	2,299,196	17,243.00
Grover Daley	77,360	16¼	14	74,300	17	15	159,950	17¾	14¼	96,000	17¼	14¾	407,610	2,035.00
Harvie Exp.	8,755	1.22	1.10	11,725	1.25	1.00	9,315	1.10	1.00	9,230	1.02	.70	39,025	780.00
Hilltop	228,920	25	15½	166,400	24½	21	126,900	24	20	298,750	25	22	820,970	4,100.00
Hollinger	9,135	17.45	16.95	6,333	17.65	17.05	10,946	17.60	17.25	13,265	17.50	17.25	39,679	5,940.00
Harvey Gold	395,777	1.55	1.07	1,179,900	1.78	1.33	518,465	1.70	1.45	433,245	1.60	1.20	2,527,387	50,546.00
Indian	8,250	7	4¾	500	4¾	4¾	6,500	7	6	500	5½	5½	15,750	22.50
Inter. Nickel	25,591	68¼	63	18,007	68	65	22,226	68¾	66	23,329	68½	66⅛	89,153	19,830.00
Jackson M.	489,600	83	75	447,525	85	77	221,125	84¾	79½	238,575	84	75	1,396,825	2,094.00
Keeley	9,850	85	79	17,425	87	80	24,100	91	81	40,790	90	76	92,165	1,380.00
Keora M.	4,500	3⅛	3	70,950	8½	3	60,300	8	5¾	13,450	7	5½	149,200	447.00
Kirk. Hunton	238,050	28	22½	573,575	33	26	567,450	35½	28	334,925	34¼	28	1,714,000	12,855.00
Kirk. Lake	247,275	2.85	2.50	548,375	3.06	2.72	473,957	3.00	2.56	305,010	2.67	2.43	1,574,617	47,238.00
Koot. Florence	45,700	27	23½	64,500	24	22	56,800	26	22	65,400	26½	24	232,400	1,160.00
La Rose	3,500	5½	5	6,000	5¼	5	6,500	6	5½	1,100	5½	5	17,100	51.00
Lake Shore	9,250	26.75	25.50	8,785	27.00	25.25	9,805	27.75	26.75	7,985	27.40	25.50	35,825	7,160.00
Laval	258,100	35	30½	248,350	39	30½	223,360	37	32½	316,660	36	31	1,046,470	7,845.00
Lorrain C.	4,000	1¼	1¾	1,000	1	1	......	..	..	2,000	1½	1¼	7,000	7.50
Lakeside Lorrain	154,750	1½	1½	126,500	¾	½	......	..	..	......	..	..	281,250	421.00
Lebel Oro	26,150	49½	42	35,800	48	45	150,650	66	46½	60,000	60	50	272,600	2,720.00
Macassa	337,250	69	41	106,700	53	45	219,203	67	48¾	127,732	60	51	790,885	7,900.00
Marriott	7,250	38	37	22,100	41	38	3,800	41	39½	3,600	40	40	36,750	270.00
McDougall	161,950	57	42	59,600	62	44½	184,500	70	50	227,100	58	50	633,150	6,330.00
McKinley	16,700	17¾	17	8,700	18	17	55,640	19	17	18,550	18½	17½	99,590	300.00
McIntyre	5,825	28.60	27.85	4,270	28.25	27.75	7,785	28.40	27.80	9,048	28.05	27.10	26,928	5,380.00
Menter	1,340	13.25	12.00	400	14.00	13.25	500	14.00	13.80	100	13.50	13.50	2,340	3,510.00
Millcrest	83,100	7	5	495,300	14	6	165,000	11	6¾	119,900	10½	8	863,300	2,589.00
Mining Corp.	30,690	4.00	3.75	76,542	4.45	3.75	144,195	4.95	4.00	139,442	4.80	4.00	390,869	19,540.00
Moneta	5,000	10	10	....	..	..	5,000	10	10	1,200	10	10	11,200	33.00
Montreal Rouyn	1,000	19	12	3,250	15	10	9,550	16	12	14,300	16	14	28,100	140.00
Newbec	88,550	76	70	103,000	85	70	187,250	85	70	129,500	75	64	508,250	5,080.00
Night Hawk	115,900	5½	4	16,500	6	4½	42,500	6	4½	83,000	7	5	257,900	771.00
Nipissing	11,740	7.50	7.10	5,185	7.20	6.60	7,170	6.90	6.65	9,800	6.85	6.55	33,895	2,535.00
Noranda	22,521	25.55	24.90	25,772	25.75	25.00	38,350	26.90	25.00	17,825	25.90	25.00	104,468	20,880.00
Malartic	155,900	47	36	259,530	50	37½	274,010	50	43½	346,171	55	45	1,035,611	7,763.00
Ophir	500	2¾	2¾	4,500	2½	2½	23,800	2½	2	44,775	3½	2¼	73,575	110.00
Osisko	8,100	41	40	9,230	42	40	41,800	55	40	6,400	55	45	65,530	488.00
Pawnee Kirk.	17,910	70	60	8,700	60	56	30,100	59	54	109,250	80	56	165,960	1,733.00
P. L. Cobalt	5,500	4½	4½	31,000	5	4	4,000	5	4	14,000	4½	4	54,500	82.00
Porc. Crown	14,500	7	5½	65,900	9	5½	42,605	8	6	18,800	6¾	6½	141,805	423.00
Pioneer 6	29,050	58	54	71,700	63½	55	120,800	74	45	146,850	70	62	368,400	3,680.00
Potter Doal	162,650	16¼	14	1,278,380	30	15	734,350	29	20½	279,900	*27	22	2,455,280	12,275.00
Premier Gold	4,870	2.30	2.27	11,725	2.45	2.28	10,190	2.45	2.33	4,650	2.40	2.30	31,435	942.00
Preston	15,500	6	4⅞	16,500	5½	4⅞	16,000	5	4⅞	32,900	6½	5	80,900	240.00
Realty & Mines	272,000	37¾	29	25,750	38	24	40,060	25	22½	42,300	24	19¾	380,110	2,280.00
Ribargo	268,400	37	31	247,800	38	32	198,900	34½	31	219,860	33	30	934,960	7,012.00
Rouyn	17,500	4	3	10,500	3¾	3½	3,500	3¾	3½	....	..	..	31,500	46.50
Rouyn Gold	......	..	..	1,500	3¾	3	4,000	3¾	3	8,000	3¾	3¼	13,500	19.50
Rouyn Que.	......	...	...	1,000	3½	3½	500	2	2	....	..	..	1,500	10.50
Rubec	11,710	1.10	99	39,805	1.15	98	35,270	1.25	1.00	52,215	1.45	1.19	139,000	2,780.00
San Antonio	238,856	45	34	186,248	46	40	257,862	44	39	591,774	49	42	1,274,740	9,555.00
Siscoe	500	29¾	29¾	5,500	29	28	....	..	..	....	..	..	6,000	30.00
Stadacona	127,500	21	18	146,900	21	17½	188,650	20	17¾	600,825	25	17	1,063,875	5,315.00
St.Anthony	48,850	50	40	9,100	48	45½	2,800	45½	45	9,200	47	43	69,950	525.00
Sud. Basin	900	5.00	4.75	1,000	6.00	5.25	41,750	7.75	6.00	9,655	7.55	6.90	53,405	4,005.00
Sylvanite	6,710	4.40	4.15	11.255	4.25	4.00	23,900	4.75	4.25	14,815	4.50	4.00	56,680	2,830.00
Teck Hughes	63,332	11.00	10.50	74.787	10.95	10.55	183,406	12.00	10.80	116,097	12.00	10.75	437,622	65,640.00
Tough Oakes	230,275	60	53½	656,875	68	47	1,308,850	82	61	1,051,659	80	68	3,247,659	32,470.00
Towagamac	12,636	4.60	4.10	9,263	4.16	2.80	13,318	4.51	3.83	14,834	4.10	3.75	50,051	2,500.00
Temiskaming	......	...	...	2,000	...	9½	700	10	10	500	10	10	3,200	9.60
Treadwell Y.	2,960	20.25	18.50	1,865	20.00	19.00	7,400	22.25	19.00	4,310	22.00	20.00	16,535	3,300.00
Vickers	4,100	67	60	3,700	67	60	2,500	65	60	11,100	60	60	21,400	210.00
Vipond	37,200	61	57½	193,412	82½	63	281,028	1.13	70	141,690	90	80	653,330	9,795.00
Wakenda	13,500	5	4	386,950	15	4½	111,700	16	11	89,900	14	12	602,050	1,806.00
West D. Lake	33,750	16	15½	89,400	16	15	170,200	18	15½	156,300	18	15	449,650	2,250.00
Wettlaufer	1,000	4	4	......	...	...	....	..	..	....	..	..	1,000	1.50
Wiltsey C.	84,880	64	57	85,800	74	63	24,750	73½	70	20,525	69½	66	215,955	2,150.00
Wright-Har.	35,320	7.45	7.25	92,075	7.50	6.95	107,275	7.80	7.12	109,792	7.25	7.00	344,462	25,836.00
													59,685,347	$747,712.00

MONTREAL. — Herman Trelle, of Wembley, Alberta, retains the world's championship for oats, according to advices from the International Livestock Exposition, Chicago.

British Columbia Mines

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MONTREAL LIGHT ASKED BY COUNCIL TO REDUCE RATES

Considers Present Low Coal Cost Warrants Lower Gas Prices

From Our Own Correspondent

MONTREAL.—The city council of Montreal has forwarded a request to the Montreal Light, Heat and Power Consolidated for a reduction in rates. The council adopted a resolution which pointed out that some of the citizens of Westmount are obtaining power at a lower price than it is supplied in Montreal and that the company increased the price of gas with the increase in the cost of coal some years ago. The council is of the opinion in view of the lower costs of coal at present prevailing, the price of gas should also be reduced.

The demand for lower power and lower gas rates by the city appears to be the outcome of a rate war which Montreal Power recently waged with the municipal electric system of Westmount. The city of Westmount is entirely surrounded by Montreal, but Westmount purchases power en bloc from Montreal Power and carries on its own distribution service, in opposition to the privately owned company. It owns also a small steam plant which takes care of peak loads.

Offer of stock

Some time ago the power company offered the citizens of Westmount, Montreal Power stock at a price very much below present market quotations, provided they would sign a power contract with the company. The municipally-owned power system of Westmount retaliated by reducing the price of electricity. Montreal Power replied by reducing its prices—but only to those in Westmount who were, at that time, being served by the Westmount municipal system.

Now the Montreal city council is up in arms because some of the customers of the company in Westmount are obtaining power at a price materially below the rates prevailing in Montreal. The city is asking that the power rates in Montreal be at the same level as in Westmount, and that the price of gas be reduced to conform to the decrease in the price of coal and other raw materials.

The resolution which passed the Montreal city council is as follows:

"Whereas the Montreal Light, Heat and Power Consolidated charges to the citizens of Westmount but 2 cents a kilowatt hour for the supply of electric power for lighting purposes; whereas the city and the citizens of Montreal pay to this company, for the same service, a net price of 3½ cents a kilowatt hour; whereas when the prices of coal and other raw material were very high, the Montreal Light, Heat and Power Consolidated demanded and obtained the authorization to increase the price for the supply of gas; whereas the price of coal has, since then, decreased considerably; whereas the present price of gas is $0.10½ net 100 cubic feet, and the committee is of the opinion this price should be reduced; your committee recommends that instructions be given to the City Clerk to ask the Montreal Light, Heat and Power Consolidated to charge the city and the citizens of Montreal, for the supply of electric power for lighting purposes, the same price as it charges the citizens of Westmount, and to grant, in the price demanded for the supply of gas, a reduction in proportion to the decrease in the price of coal, and other raw material."

To date the demands of the council have had no effect on the shares of Montreal Power. What the outcome of the demands of the city council will be depends on whether or not the city decides to press its claims. The officials of the company state that the average price for power in Montreal is as low, or lower than in other cities.

More Apples to Britain

HALIFAX, N. S.—Apple shipments to British markets up to Nov. 15, amount to 240,543 barrels as compared with 230,004 at the same date last year.

Canada Exports More Rum

OTTAWA, Ont.—Canada's exports of alcoholic beverages has been showing marked increases. The total value of exports in the twelve months ended October was $26,881,049 as compared with $24,670,413 in 1926, $17,227,125 in 1925, $15,604,209 in 1924 and $10,636,314 in 1923. Exports of whiskey have been mainly responsible for the increment, having risen in value from $6,189,378 in 1923 to $12,400,961 in 1925, and $21,080,-332 in 1927.

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Balance Sheet Shows Good Liquid Position of National Steel Car

A circular issued by Greenshields & Co. and McDougall & Cowans details the conditions affecting National Steel Car Corp. The balance sheet shows the company to be in excellent liquid position. The capital and surplus total $2,262,572, or in excess of $22 the share.

Greenshields & Co. and McDougall & Cowans purchased 81,000 shares of the total of 100,000 shares outstanding and introduced the stock in the Canadian market last week at 39. It has since been selling around 42. The low price for the year was 18¼.

The company's bonded debt consists of $860,000 first mortgage, 6 per cent. bonds, due January 1, 1930. The original issue was $2,000,000 and $1,-140,000 has been retired through the operation of sinking fund.

The following letter from R. J. Magor, president, to the purchasers of the stock, tells something of the history of the company:

In connection with your purchase of 61,000 shares capital stock of National Steel Car Corporation, Ltd., I have pleasure in giving you the following information:

National Steel Car Corporation, Ltd., was formed in 1920 to take over under new management, the assets and business of the National Steel Car Company, Ltd., of Hamilton, Ont. The purchase of the business was financed by the sale of $2,-000,000 first mortgage, 6 per cent. bonds and 100,000 shares of common stock, 19,-000 of which were taken by the stockholders of the old company, the balance of 81,000 shares being subscribed in the United States.

Since re-organization January 1, 1920, the company has made steady progress in the upbuilding of its position as a manufacturer of steel and composite equipment used for the transportation of materials and passengers.

Business

The company manufactures all types of steel and composite railroad passenger and freight cars, as well as electric street cars for cities, and special types of equipment for mining, logging and industrial operations. The company also produces drop forgings and steel pressings, and fabricates wood and steel parts, which are sold to the railroads for repairs and to other assembling plants. The works are located on Hamilton Bay, Hamilton, Ont., an advantageous point for labor supply, and well located for economical and prompt deliveries of raw materials.

The company's list of customers includes: Canadian Pacific Railway; Canadian National Railways; Temiskaming & Northern Ontario Railway; Toronto, Hamilton & Buffalo Railway; Pere Marquette Railway Lines in Canada; Dominion Power and Transmission Company; Pacific Great Eastern Railway and others.

In addition to the manufacture of railway cars and equipment, the company had in operation when taken over by the present management, a separate department for the manufacture and sale of motor trucks. This business, however, proved unprofitable and has now been completely liquidated, save for a trifling amount of spare parts business for owners of National Trucks still on the road.

Earnings

Price, Waterhouse & Co., chartered accountants, have examined the books and accounts of the company, and their certificate shows that after eliminating losses sustained exclusively by the motor truck department, net earnings of the business as now constituted, i.e., operation of car business alone, for the four years ending June 30, 1927, before depreciation and bond interest, were as follows:

1924	$878,892	1926	$151,103
1925	91,600	1927	396,376

Average for four years	$379,493
Annual interest on present bonded debt	51,600
Annual depreciation	100,000
Balance	$227,893

which is the equivalent, before income tax, of over $2.27 per share per annum on the capital stock.

Net earnings for the six months ending December 31, 1927, with the month of December estimated, after deduction of full depreciation and interest, amount to	$274,400
which compare with earnings for the same period of 1926	173,879

Assets

According to balance sheet as at September 30, 1927, as certified by Price, Waterhouse & Co., chartered accountants, assets of the company were as follows:

Land, buildings and equipment	$3,316,098	
Less reserve for depreciation	1,246,332	
		$2,069,766
Current assets	1,186,765	
Less current liabilities	144,094	
		1,042,671
Deferred charges		10,134
Patents and goodwill		1
Total net assets		3,122,572
Less bonded debt		860,000
Net worth		$2,262,572

Of the current assets, $624,428 is in cash and call loans. Inventory consists almost entirely of materials purchased against orders actually on hand

Railway Equipment

The following table gives the number of freight cars built in Canada since 1910:

1910	6,675	1920	4,934
1911	8,698	1921	9,440
1912	11,694	1922	878
1913	19,891	1923	3,254
1914	6,318	1924	3,818
1915	1,229	1925	650
1916	1,465	1926	1,802
1917	4,308	*1927	2,145
1918	10,421		
1919	10,708		

*11 months.

The following table gives the number of passenger cars and equipment for express service built in Canada since 1910:

1910	68	1920	119
1911	72	1921	288
1912	135	1922	201
1913	141	1923	400
1914	221	1924	278
1915	102	1925	75
1916	45	1926	316
1917	10	*1927	191
1918	110		
1919	151		

*11 months.

It will be seen that the present 5-year period is very far behind the previous ones as to the building of freight cars, which constitute the largest part of the company's business.

Growth in Railroad Traffic

The Canadian railroads carried more freight in 1926 than in any previous year. The increase in revenue ton miles as compared with 1925 was over 6½ per cent., and as compared with 1914, over 50 per cent. For the first 45 weeks in 1927 car loadings in the Dominion were approximately 4 per cent. higher than in the corresponding period of 1926.

The long trend in railroad traffic in Canada has always been upward and the vigor with which the development of the Dominion's natural resources is now proceeding would indicate that the growth in the business of the railroads should be at a sharply accelerated rate through the next decade.

Management

Robert J. Magor and those associated with him, who have been responsible for the upbuilding of the business to its present position, will continue in the management of the company.

DIVIDEND RUMOR ENHANCES SHARES OF CAN. WOOLLENS

Possibility of More Adequate Tariff May Have Enhanced Shares

From Our Own Correspondent

MONTREAL.—Rumors have been rife regarding a presumed betterment in the position of Canadian Wollens, Limited, but as far as anything affecting the position of the preferred shares of the company is concerned, the wishes, which have found their way into print, have been father to the thought. The preferred stock has not paid dividends since July 1, 1922.

Following the rumors indicating that the company would make with its preferred shareholders an offer touching their dividend arrears, there has been some demand of late for both common and preferred shares. Both classes of shares have shown a substantial appreciation.

Moderately Bettered

While there has been some betterment felt by the company in business conditions since the close of its last fiscal year on June 30, yet, as far as can be ascertained, the position of Canadian Woollens is certainly not such as to indicate any immediate liquidation of the preferred arrears. If any such liquidation of arrears does take place, it will probably be accomplished by a distribution of common shares to the preferred shareholders—but the time for such a step still seems far off as the profits of the company this year have only been very moderately bettered.

Some months ago the Canadian Woollens acquired two woollen spinning plants at Milton and at Peterborough, Ontario. These two plants are operated as wholly owned subsidiaries; the acquisitions have worked out satisfactorily to date. The output of both these mills naturally works in well with the production of the other Canadian Woollens plants.

In any consideration of the future outlook for the company, the possibility of a more favorable tariff must be taken into consideration. It is thought that one of the reasons behind the rise in the stock is the possibility of the government granting the woollen industry in Canada a more adequate tariff. But governments move in a mysterious way their wonders to perform and any purchasing of the stock, based on the possibility of more adequate tariff concessions, seems to be nothing more than wild gambling. There seems to be nothing to indicate that the Government intends to take action to better the unsatisfactory position in which the Canadian woollen mills find themselves.

As far as can be ascertained, the sole reason behind the move in the shares, particularly the preferred shares, is the expectation that the government is to increase the protection on woollens—an expectation for which there exists little present evidence, if any.

ONTARIO BAKERIES CONTROL ACQUIRED BY F. K. MORROW

Plants Taken Over by the Northern Bakeries' Head

Controlling interest in Ontario Bakeries has been acquired by F. K. Morrow, and it is expected that Ontario Bakeries ultimately will be merged, or closely affiliated with Northern Bakeries, controlled since last June by the Morrow group. Col. S. B. Peplar is stated in announcements to have been associated with Mr. Morrow in the deal. Mr. Peplar is president of Ontario Bakeries.

Ontario Bakeries is about three years old and is a merger of a number of baking companies in Western Ontario cities. In all, the company owns sixteen plants in nine cities. These cities are Stratford, Guelph, Woodstock, North Bay, Sudbury, St. Catharines, Barrie, Midland and Trenton.

The possibility of absorption of Ontario Bakeries by Northern Bakeries was first suggested in The Financial Post three months ago. Ontario Bakeries has been a profitable enterprise for some time, although it owns two or three inoperative plants. The early days of the merger were not wholly satisfactory, but Col. Peplar is credited with having brought the company through its difficulties.

Col. Peplar will remain in active management of Ontario Bakeries, and for the present there will be no direct connection between Ontario Bakeries and Northern Bakeries. Eventually, it is probable that Northern Bakeries will achieve control through purchase of stock at the price paid the present vendors. But this may not take place for some time and, in any event, there may be no change in the operating name of Ontario Bakeries.

Northern Bakeries and Ontario Bakeries between them definitely exceed the weekly output of Canada Bread Co., it is reported. In fact, it has been said that Northern Bakeries exceeded Canada Bread in output in recent months, but no figures have been produced to substantiate this claim, which is scouted in some well informed quarters. The output of Ontario Bakeries has been in excess of 20,000 loaves weekly. Canada Bread distributes more than 1,100,000 loaves weekly. The figures for the several plants of Northern Bakeries have not been published.

To Visit Europe

MONTREAL.—A. E. Kelsey, assistant to C. Price-Green, commissioner of the Canadian National Railways, Department of Natural Resources, is sailing from New York on Dec. 12 for Europe. Mr. Kelsey is to spend six weeks on the other side in connection with the work of his department.

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INSURANCE WORLD WILL SEE DEBUT OF NEW COMPANY

United Provinces Insurance Co. to Start Operations Under Quebec Charter

From Our Own Correspondent

MONTREAL.—A new Canadian insurance company, the United Provinces Insurance Company, is shortly to make its appearance in the underwriting world. It will operate under a Quebec charter with head office in Montreal. It will have an authorized capital of $500,000, and for the present will confine its activities to accident, sickness, automobile, burglary, plate glass, and guarantee insurance.

Charles F. Dale, P. W. Peacock, and F. H. Pyper are the incorporators of the new company and all three are well known in Canadian insurance circles.

In speaking to The Financial Post, Mr. Peacock was very enthusiastic in regard to the future prospects of the new company. He said there was lots of room for purely Canadian companies in the Insurance field, and he believed there were great prospects in store. He pointed out the advantage of native companies in Dominion underwriting, inasmuch as at the present time the bulk of the casualty insurance business is being done by foreign companies.

The small proportion of casualty business done by Canadian companies is clearly shown by insurance statistics for 1926. Thus, of the total amount of casualty premiums paid, Canadian companies received but $9,261,219 as compared to $18,939,778 paid by British and foreign companies.

The stock of the United Provinces Insurance Company is being placed privately. The par value of the stock is $100 and the issue price $125. As no charge is being incurred in the sale of the stock, the company will start off with a surplus equal to 25 per cent. of its paid-up stock.

Of the incorporators, Mr. Dale is a native of Belleville, Ontario, and commenced his insurance career with the North American Life. He has been associated with the Ocean Accident and Guarantee Corporation; the Canada Accident Insurance Company, and until 1921 was vice-president and managing director of the North American Accident Company.

P. W. Peacock has had 27 years' experience in the insurance business, starting with the Western Assurance Company, at Toronto, in 1900. His other associations have been with the Commercial Union Assurance Company, at Winnipeg, the Canada Accident Assurance Company, and until recently he was general manager of the North American Accident Assurance Co.

F. H. Pyper entered the employ of the Ocean Accident and Guarantee Corporation in 1907, and was later transferred to Toronto and continued with the company until 1912. Other connections have included Dominion Gresham Guarantee & Casualty Company, the North American Accident Assurance Company, and since 1922 casualty manager of the Royal Exchange Assurance Company.

Fiske Goes to New York

A. F. C. FISKE

HENRY F. NORTH

With the appointment of A. F. C. Fiske as second vice-president of the Metropolitan Life Insurance Co., Canada will lose an insurance executive who has been in Ottawa since the creation of a Canadian head office in 1924. His place will be taken by Henry F. North, who will forsake his present duties as assistant secretary and superintendent of agencies in Canada, and will become third vice-president, in charge of the company's Canadian head office. Mr. Fiske will take up permanent residence in New York, and will have a general supervision of the company's field operations in Canada and part of the United States. Mr. North has been associated with the Canadian head office of the company since 1925.

Fire Takes Heavy Toll Among Ontario Barns

Mechanical equipment, and modern methods of farming are said to be directly responsible for the alarming increase in barn fires that have occurred in Ontario this year.

The modern methods of farming are being blamed as the cause of spontaneous combustion, which is the chief cause of barn fires at the present time, and which has raised the number of barn fires within the province during October, to 110, with an aggregate loss of $379,000. Only in one year has this loss record been exceeded. In 1923 there were 128 barn fires, with a loss of $422,509.

According to E. P. Heaton, Ontario Fire Marshal, who issues these statistics month by month, and whose function it is to investigate the causes of fire within the province; the worst feature of the situation is contained in the fact that it is almost impossible to make the farmer realize the disastrous effects of spontaneous combustion, except through the expensive lesson of experience. The fact that a great many barn fires occur during the night, renders it impossible to ascertain definitely the cause of the conflagration, and only when the fires are discovered during the daytime, is it possible to trace the origin with certainty, and point the moral of overheated crops that have been prematurely stored in the barn.

Technically, the cause of spontaneous combustion is something like this.

When hay, clover, alsike, or alfalfa, is stored in the barn without being properly cured, the moisture that is contained in the stalks and heads begins to "sweat." This sweating process is nothing more or less than a bacteriological process until the heat reaches a certain point, and it is here that the danger sets in.

When this bacteriological process reaches the point of 210 degrees Fahrenheit, the bacteria die. Immediately fermentation (a chemical process) sets in, and once the fermentation starts the action is very rapid. Fermentation can raise the heat of grass up to 550 or 600 degrees in a very short time, and anything at, or above this temperature means conflagration.

At the present time, one of the most important investigations that have ever been made on this subject, is under way in Vermont. In this state, the recent floods have left the crops in a very moist state, and this condition has been almost immediately followed by an outburst of barn fires which have been directly traced to spontaneous combustion. Here is a definite condition with a definite cause, and as a result of their investigations, the Department of Agriculture at Washington are hoping to find some positive way of controlling this evil aspect of damp crops. Canadian authorities are watching this situation closely with the hope of finding there a solution of the Ontario problem.

Coming back to Ontario, the increase in spontaneous combustion throughout the province is attributed directly to the fact that modern methods and equipment are forcing the farmer to rush his harvesting so that only a very short time elapses between the cutting and the storing of the hay.

The hay-loader, the automatic hay-fork and other such devices have "speeded up" production with the result that instead of careful handling by in-

(Continued on page 24)

CANADA LIFE IN BUFFALO

The Canada Life Assurance Company, has opened an office in Buffalo, with James R. Brown, late of the Aetna Life, as manager.

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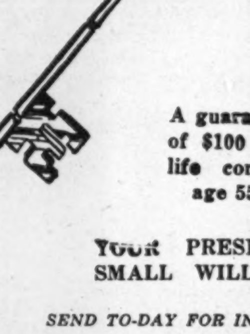
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Current Events in Banking World

BANK OF MONTREAL SHOWS BIG PROFITS: MILLION TO RESERVE

Increase of Almost 6½% is Reported for Fiscal Year

From Our Own Correspondent

MONTREAL.—The net profits of the Bank of Montreal for the fiscal year ending October 31, show an increase of almost six and a half per cent., according to the annual report. The satisfactory growth of the profits, has allowed the management to transfer $1,000,000 to a rest account, which now stands in excess of the bank's capital outstanding by a like figure.

The following figures compare the income accounts of the past two years:

	1926-27	1925-26
Prev. surp.	$ 767,416	$ 596,788
Profits	5,299,887	4,978,133
Total	$6,067,304	$5,574,921
Distributed as follows:		
Divds. & bonus	$4,188,338	$4,188,338
Govt. taxes	374,167	319,167
Bank premises	350,000	300,000
To rest acct.	1,000,000	......
P. & L. surplus	154,799	767,416
	$6,067,304	$5,574,921

The balance sheet of the bank reflects the general expansion in business throughout the Dominion. At the close of the fiscal year, the total assets amounted to more than $831,500,000 as against $781,500,000 a year ago. The balance sheet shows a general all-round strengthening in the bank's position. Call and short term loans in other countries have increased from $180,600,000 a year ago, to $196,900,000 this year. The bank's holdings of cash, government, municipal and other securities, and its deposits in the Central Gold Reserves, show a decided increase.

Current loans are now in excess of $255,000,000, an increase of some $3,000,000 during the year. Non-current loans show a decline. Bank premises now stands at only $11,550,000—a decrease of $250,000 during the year.

As revealed by the foregoing income account figures, the rest account now stands at $1,000,000 in excess of the outstanding capital stock amounting to $29,916,700. Total deposits are up from $648,000,000 to $700,000,000 this year.

The breaking of many previous records is one of the impressive features of the exhibit. The bank has strengthened its liquid position, and liquid assets are equal to 63.78 per cent. of the liabilities to the public, as compared with 60.30 per cent. a year ago. The bank's holdings of bullion, cash, and deposits with the Government are equivalent to 14.28 per cent. of its public liabilities. Interest-bearing deposits amount to $539,000,000 as compared with $515,900,000 a year ago. Deposits not bearing interest are $161,000,000, which compares with $132,000,000 last year.

	1927 $	1926 $	Change $
Immediately Available Liquid Assets			
Specie	38,400,252	32,527,125+	5,873,127
Dom. notes	50,552,959	50,884,510—	331,551
Note cir. dep.	1,463,198	1,420,788+	42,410
C'l l'ns abd.	151,381,604	145,325,248+	6,056,356
Bank bal.	15,842,459	19,859,311—	4,016,852
Cheques	46,919,139	26,337,108+	20,582,031
Gov. secs.	86,760,587	79,157,614+	7,602,973
Gold res.	19,000,000	17,000,000+	2,000,000
Notes, bank	4,207,454	3,822,424+	385,030
For. curr.	905,580	825,684+	79,896
	415,433,232	377,159,812+	38,273,420
% total assets	49.9	48.2+	1.7
% total liab. to pub.	54.0	52.4+	1.6
Other Assets			
Pub. secs.	32,963,447	29,230,754+	3,732,693
Other secs.	5,344,028	4,463,251+	880,777
Call loans	29,719,405	15,486,054+	14,233,351
Cur. loans	255,155,693	252,338,859+	2,816,834
Elsewhere	45,628,394	53,442,277—	7,813,883
Non. curr.	2,046,424	2,494,424—	448,000
Mun. loans	16,657,163	17,074,131—	416,968
Premises	11,550,000	11,800,000—	250,000
Lets. cred.	12,206,356	13,952,191—	1,745,835
Mortgages	1,193,393	1,209,616—	16,223
Real estate	726,529	917,533—	191,004
Shares, loans	2,466,996	1,415,727+	1,051,269
Other assets	457,907	540,516—	82,609
	416,115,735	404,365,333+	11,750,402
Total as'ts	831,548,967	781,525,145+	50,023,822
Liabilities to the Public			
Circulation	45,760,678	47,175,989—	1,415,311
Dem. dep.	161,060,362	132,034,727+	29,025,635
Savings	539,166,919	515,925,641+	23,241,278
Due banks	2,363,396	2,346,485+	16,911
Due else.	6,589,021	5,952,615+	636,406
Let. of cred.	12,206,356	13,952,191—	1,745,835
Bills pay.	751,540	1,181,900—	430,360
Other liab.	1,153,063	848,227+	304,836
	769,051,335	719,417,775+	49,633,560
Liabilities to Shareholders			
Capital	29,916,700	29,916,700	———
Reserve	30,916,700	29,916,700+	1,000,000
Dividends	1,509,433	1,506,553+	2,880
Balance	154,799	767,417—	612,618
	62,497,632	62,107,370+	390,262
Total liab.	831,548,967	781,525,145+	50,023,822

Canadian Banks Open 10 Branches in November

The Canadian chartered banks report the opening of ten new branches in various parts of the Dominion during the month of November, and no branches closed.

The Orton, Ont., branch of the Royal Bank, formerly operated as an independent branch, is now a sub branch to Hillsburg. Following is a list of the branches opened:

Opened

Commerce—Toronto, Yonge and city limits.

Imperial—Bloor and Durie Sts., Toronto; Mayerthorpe, sub. to Sangudo, Alta.; Eckville, sub. to Sylvan Lake, Alta.

Montreal—Botha, Alta.

Royal—Ellis Bay, Anticosti, Que.; Montreal, Monkland and Oxford; Grimshaw, Alta.

Toronto—St. Hubert St., Montreal.

Weyburn Security—Shamrock, Sask.

Increased Business Expected for Canadian Textile Mills

From Our Own Correspondent

MONTREAL.—Canadian textile mills may look forward with confidence to the coming year, as it is anticipated that the volume of business will be well sustained. The mills were kept working at nearly capacity during the past year, and with the general prosperity which the country is now experiencing, it is felt that the demand of the public for textiles will show a material increase.

It is true that competition has been keen during the past year and that due to the price-cutting foreign competition has necessitated, the margin of profits of the different mills has been materially affected.

Intensive production and the placing of larger orders, coupled with efficient management, however, has combined to permit the companies to maintain profits comparable to those of last year.

CALGARY, Alta.—Review of a month's exports of flour by Alberta mills reveals shipments to China, England, Germany, Japan, New Zealand, South America and the United States.

Bank of Montreal Has New Executive Committee

At a meeting of the directors of the Bank of Montreal, following the annual meeting of shareholders, Sir Vincent Meredith, Bart, was elected chairman of the board and chairman of the executive committee; Sir Charles Gordon, G.B.E., was elected president, and H. R. Drummond and Major-General the Hon. S. C. Mewburn, C.M., were elected vice-presidents.

An executive committee of the board was appointed, consisting of Sir Vincent Meredith, Bart. (chairman), Sir Charles Gordon, G.B.E., H. R. Drummond and Major-General the Hon. S. C. Mewburn, C.M.G.

Sir Charles Gordon, who has just been elected to the high post of president of the Bank of Montreal, won his spurs first as a manufacturer, then in important war work, and later in various positions of honor. He is president of Dominion Textiles, Ltd.; president of Penman's, Ltd. He was, during the war, vice-chairman of the British War Mission in Washington, and representative of the British Ministry of Munitions in the United States. From 1915-17 he was vice-chairman of the Imperial Munitions Board. The services which he rendered the allied cause during his stay in Washington were very great.

Sir Vincent Meredith, Bart, who has been elected chairman of the board of directors and of the executive committee of the Bank of Montreal, joined the staff of the Bank of Montreal in 1867, became general manager in 1911, and president in 1913. He has taken a large part in the life of Montreal in other capacities.

Mr. Drummond comes of a very well-known Montreal family, one that has played a large part in Canadian business for two generations, always with credit to its members.

Major-General Mewburn, while well known as a barrister in Hamilton, has been most prominently before the public as a member of the House of Commons and as a former minister of the militia.

Inter. Utilities' A. Stock May be Called, is Rumor

From Our Own Correspondent

MONTREAL.—The activity in both classes of International Utilities shares has started a rumor indicating that the company will call its A stock. The A stock is a second preferred issue entitled to $3.50 dividends and to participation with the B stock up to $5 a share. It is redeemable at $60.

While the redemption of the A stock is a possibility, yet apparently the chief reason for the appreciation in the stock lies in the more than substantial gain in net profits of the company this year.

Should the A stock be retired, it would, of course, materially improve the position of the B shares, which of late have also sold much higher due to the much greater profits this year.

Hail Insurance Figures Show Loss Ratio of 107.9%

Final figures announced from Ottawa, regarding the experience of Dominion licensed companies writing hail insurance in Canada, show a loss ratio for the year amounting to 107.9 per cent. The volume of business written this year, as announced in The Financial Post last week, was much greater than that written in any previous year, but the fact that in the three western provinces out of a 103-day period, hail fell on 101 days, shot the loss ratio well over the 100 mark.

Net hail premiums for 1927 amounted to $6,370,000, and the losses to $6,875,000.

Weekly Bank Clearings

(As compared with same week last year)

Eastern Cities	Dec. 1, 1926	Dec. 1, 1927
Montreal	$137,910,201	$213,287,499
Toronto	112,130,441	167,778,587
Halifax	2,798,961	2,950,229
St. John	2,418,847	2,739,419
Moncton	923,426	971,282
Sherbrooke	870,634	929,732
Quebec	10,695,644	8,880,215
Ottawa	7,323,671	8,553,062
Kingston	749,427	....
Peterboro	913,078	876,639
Hamilton	5,580,089	5,931,348
Brantford	1,221,615	1,504,339
London	3,002,692	4,480,526
Kitchener	970,685	1,299,705
Windsor	4,163,552	5,034,381
Chatham	700,158	656,954

Western Cities	Dec. 1, 1926	Dec. 1, 1927
Fort William	$ 1,508,134	$ 1,366,027
Winnipeg	32,210,138	95,497,879
Brandon	748,329	774,208
Regina	6,042,572	6,924,785
Saskatoon	2,312,250	3,153,550
Moose Jaw	1,677,138	1,826,429
Prince Albert	476,385	558,049
Lethbridge	673,875	870,656
Calgary	10,207,426	13,340,432
Edmonton	4,633,795	6,926,823
Medicine Hat	302,418	486,554

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$12,500,000

Canadian Hydro-Electric Corporation, Limited

6% Cumulative First Preferred Stock

(Par Value $100)

Preferred as to assets and as to dividends at the rate of 6% per annum. Dividends, cumulative from December 1st, 1927, payable quarterly, as declared, by cheque payable at par at any branch in Canada of the Bank of Montreal, March, June, September and December 1st. Callable in whole or in part at 110 and accrued dividends. Non-voting except when dividends in arrears to an amount equivalent to one full year's dividend or upon approval of increase of authorized amount of First Preferred Shares or upon approval of alterations of provisions and restrictions affecting First Preferred Shares.

Transfer Agent: NATIONAL TRUST COMPANY, LIMITED, Toronto & Montreal

Registrar: THE ROYAL TRUST COMPANY, Montreal & Toronto

CAPITALIZATION (Upon the completion of this financing):	Authorized	Outstanding
6% Cumulative First Preferred Stock	$37,500,000*	$12,500,000
6% Non-Cumulative Second Preferred Stock	25,000,000	25,000,000
Common Stock (no par value)	1,000,000 shares	1,000,000 shares

*This amount may be increased if such increase approved by the votes of holders of two-thirds of shares represented at a general meeting of all Shareholders, including First Preferred. Of the present authorized amount of First Preferred Shares $25,000,000 is to be reserved for the conversion of outstanding 6% Non-Cumulative Second Preferred Stock. Such conversion can be made only when consolidated net operating earnings of the Corporation and its subsidiaries (after deducting depreciation of 6% of gross income derived from sales of electrical energy) for the most recent twelve months period are equivalent to more than twice the amount required for a year's dividends on the then outstanding First Preferred Stock including that to be issued on such conversion.

The following information has been summarized from the letter of Mr. A. R. Graustein, President of the Corporation:

CORPORATION: Canadian Hydro-Electric Corporation, Limited, a Dominion Company, a subsidiary of the International Paper Company, is being organized to acquire and hold control, through stock ownership, of Gatineau Power Company, Gatineau Electric Light Company, Limited, and St. John River Power Company. Its interest in these companies which are now subsidiaries of International Paper Company will include all the preferred and common shares of Gatineau Power Company, all the preferred and 85% of the common shares of Gatineau Electric Light Company, Limited, and a majority of the preferred and all the common shares of St. John River Power Company, as well as certain notes and indebtedness of these companies. Gatineau Power Company and St. John River Power Company own hydro-electric plants with a present installed operating capacity of 207,000 h.p. Upon the completion of the present construction programme these plants will have a total capacity in excess of 535,000 h.p. Gatineau Electric Light Company, Limited, is to be a distributing Company and will serve a territory of 5,000 square miles having a population of about 200,000.

GUARANTEE OF COMPLETION: Cash estimated to be sufficient to complete the present construction programme of Gatineau Power Company, except for future expenditure of $874,000, is now in escrow. International Paper Company has agreed, pending future financing by the respective companies, to lend Canadian Hydro-Electric Corporation, Limited, this $874,000 and also to advance at 6% interest any funds which may be necessary for the completion of the St. John River Power Company construction work, estimated at $6,500,000.

SALES: Contracts for the sale of power have been signed by Gatineau Power Company or St. John River Power Company with the following: The Hydro-Electric Power Commission of Ontario, Canadian International Paper Company, Canada Cement Company, Limited, Fraser Companies, Limited, and New Brunswick International Paper Company. These, plus the power distributed through Gatineau Electric Light Company, Limited, will cover the sale of the entire power to be developed under the present construction programme. Part of the power sold under contract to Canadian International Paper Company and New Brunswick International Paper Company will be used to produce steam but this power may be withdrawn and sold at a higher price by the generating companies as the demand grows.

EARNINGS: Based on contracts now executed or definitely arranged and on sales through Gatineau Electric Light Company, Limited, independent Engineers have estimated that consolidated annual net earnings of the Corporation and its subsidiaries from plants now producing and upon completion from plants now under construction, available for dividends on this issue, after deducting depreciation charges, will exceed $3,100,000, or more than four times the amount required for dividends on this issue. During the first twelve months period it is estimated that the amount available for first preferred dividends and depreciation charges will be at least one and one-half times the amount required for dividends on this issue. Thereafter, as other units are completed and contracts for additional power become effective, these results should improve rapidly.

ASSET VALUE: On completion of the present construction programme of the Corporation and its subsidiaries the estimated values of the assets of the Corporation and its subsidiaries, exclusive of the value of undeveloped powers and after deducting obligations prior to the first preferred shares, amount to more than $40,000,000, or equivalent to more than three times the par value of this issue.

These estimated values are based upon reports from the following independent Engineers: J. G. White Engineering Corporation as to Gatineau Power Company, H. G. Acres & Company as to St. John River Power Company and Frederick B. Brown, M.Sc., as to Gatineau Electric Light Company, Limited.

PURPOSE OF ISSUE: The present issue of $12,500,000, 6% Cumulative First Preferred Stock is made to provide funds to complete payment for the above-mentioned shares and indebtedness.

INTERNATIONAL PAPER COMPANY: International Paper Company with its subsidiaries is the largest manufacturer of paper in the world and one of the largest holders of water powers and timber-lands in North America. Upon completion of the present development programme of Gatineau Power Company and St. John River Power Company, International Paper Company with its subsidiaries will have developed water powers with a total installed capacity of over 700,000 h.p. (600,000 h.p. hydro-electric and 100,000 h.p. hydraulic), capable of being increased through further development and through the utilization of undeveloped sites to over 1,500,000 h.p.

Price 97½ and accrued dividend

It is expected that application will be made in due course to list these shares on the Montreal and Toronto Stock Exchanges.

This stock is issued for delivery when, as and if issued and received by us and subject to approval by counsel. It is expected that stock certificates will be available for delivery on or about December 21st, 1927. Legal matters in connection with the issue of this Preferred stock have been or are to be passed upon for the Bankers by Messrs. Meredith, Holden, Heward & Holden and for the Corporation by Messrs. Brown, Montgomery & McMichael of Montreal. The Gatineau Power properties have been examined and the programme for their development approved by The J. G. White Engineering Corporation; the St. John River Power properties, by H. G. Acres & Company; and the Gatineau Electric Light properties, by Frederick B. Brown, M.Sc.

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R. A. Daly & Co.

Hanson Bros. — McDougall & Cowans

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Newman, Sweezey & Co. Limited

STATEMENTS, WHILE NOT GUARANTEED ARE BASED UPON INFORMATION WHICH WE BELIEVE TO BE RELIABLE.

December 6th, 1927

CANADIAN CANNERS EXPECTED TO SHOW INCREASE FOR YEAR

Balance Sheet is Likely to Continue Improvement in Financial Position

Annual report of Canadian Canners, Ltd., for the year ending December 31st next will show a moderate increase in profit over last year, it is expected. In 1926, the company had net profits after bond interest of $539,401.

The balance sheet probably will show continued improvement in the financial position of the company. The 1926 report showed depreciation reserve of $2,365,810, a contingent reserve of $918,989 and a corporate surplus of $520,455. (This latter sum was a reduction from the previous year owing to the transfer of $650,000 cash to the contingent reserve.)

Carryover of Inventory

Current assets totalled $5,729,417 and current liabilities $2,247,789. Included in the current assets was a very large carryover of inventory. If there had been a big crop of fruits and vegetables in 1927, the situation would not have been good for Canadian Canners. But a short crop came at the right time for the company, with the result that prices remained firm, the goods moved and the position of the company so far improved that the proposed revision in the capital structure of the company, long planned, was advanced a full year over what had been anticipated by the board.

When the new capital structure has been approved by the shareholders at the special general meeting called for December 20th, the capitalization of the company will be as follows:

Funded debt	$4,000,000
1st pref. stock, 6% cum. $100 par	$4,557,141
2nd pref., $1 dividend limited to $1 annually, no-par value, convertible equally into common	182,284 (shares)
Common of no-par value, beginning to participate in second-preferred dividends after 2nd preferred receives 60 cents annually	136,944 (shares)

Humberstone Sales Go Up

Sales of Humberstone Shoe Co., Limited, for the quarter ending with October were half as large again as for the corresponding quarter a year ago. The company's aggressive sales policy and the introduction of new lines is bringing results. Approximately 100 men are employed.

Take the time to-day to write to us

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BRANTFORD CORDAGE REPORTS NET LOSS

Earnings Figures Show Rapid Decline in Profits in Binder Twine Industry in Canada

Brantford Cordage Co. report for the fiscal year ended August 31, shows a net loss from operations, after depreciation, of $147,993. This compares with net profit of $314,718 in 1926 and $627,190 in 1925. Depreciation in the year under review totalled $74,000.

Brantford Cordage now has an issued capital of $1,900,475 of 8 per cent. cumulative first preferred stock of $25 par value, 34,000 shares of $25 second preferred 7 per cent. cumulative and 80,000 shares of no-par common which are carried on the balance sheet at $400,000. There is a hint in the letter to the shareholders that, under existing circumstances, the first-preferred dividend cannot long be continued. This dividend, remarks President C. L. Messecar, has been paid "to date" and that the next dividend on first preferred shares, payable January 15th next, "has been declared."

Earnings figures given above indicate the rapid decline in profits in the binder-twine industry in Canada. In point of volume, as has been reported previously, the company did the largest business in its history, but the competition from foreign countries, particularly Holland, where labor costs are extremely low, has eliminated profits. Foreign binder twine enters Canada free of duty and this and other Canadian companies have found some of their foreign markets cut off by prohibitory duties raised against them. Mr. Messecar questions if the Canadian manufacturers of binder twine long can continue to manufacture the article in big quantities in advance in order that the grain-growers may have an ample supply in the harvest season.

The company has succeeded in maintaining a good cash position. Cash on hand totals $154,225, compared with $30,775 a year ago. Inventory is reduced from $1,177,625 to $578,339. Bills receivable totaled $1,031,132 a year ago and are now $1,144,684. Accounts payable, including provision for all taxes, amount to only $34,523, compared with $118,255 a year ago. The reserve for depreciation is now $191,824. Trademarks, patents and goodwill are carried on the books at $993,797. This is no change from the previous year:

Three years' profit and loss account is as follows:

Income Account, Years Ending Aug. 31

	1927 $	1926 $	1925 $
Net profits (after depr. and taxes)	x147,993	315,128	627,190
Less sundry exp.	1,750	350	....
Disc. on shares	4,174	....	....
	145,569	314,778	627,190
Less appropriations—			
1st pref. div.	154,628	159,005	40,000
Res. for bad debts	224	4,437	....
Sink. fund exp.	...	1,420	....
Surplus for year	†300,421	149,915	587,190
Previous surplus	928,930	779,015	191,825
Bal. car. for.	628,509	928,930	779,015

x Loss.
† Deficit.

Sales of Canadian Cottons Show Satisfactory Increase

From Our Own Correspondent

MONTREAL.—Sales of the Canadian Cottons, Limited, for the first eight months of the current fiscal year show a satisfactory increase over the corresponding period of 1926. While sales have increased, there has not been a proportional increase in earnings, for competition, both from domestic and foreign mills has been keen.

Canadian Cottons has not participated in the general betterment in business conditions to an extent comparable to its sister company, Dominion Textile, for the larger company has a greater proportional number of lines which are used industrially.

With the expansion of industry generally during the past year, Dominion Textile has thus benefited to an extent probably greater than the other cotton companies; nevertheless, Canadian Cottons has benefited at least to some extent from the general betterment in consumer demand in all lines.

FIRE TAKES HEAVY TOLL AMONG ONTARIO BARNS

(Continued from page 22)

telligent labor, the crops are scooped up by mechanisms that care not whether the crop is dry or damp, and which finally toss the hay into the mow in large masses that may be seething with potential fire menace.

Just the fact that the old-fashioned methods of stamping down the hay, as it is being unloaded by the good old pitchfork, have been abolished, is considered to have greatly increased the risk of fire, and to have added to the burden that must be carried by the insurance companies.

And, speaking of insurance companies, the argument is put forth that as long as a farmer can get protection for his crop at a fairly low rate of premium there is no incentive to hark back to the old slow methods of harvesting to ensure that the crop is thoroughly dried. Eventually, perhaps, educational propaganda will make its impression, and perhaps as a result of this present Vermont investigation, scientific results will be discovered to eliminate this risk.

Education in Ontario has been effective along some lines, but the lack of ability to show actual proof of the disastrous results of spontaneous combustion, is perhaps responsible for the lack of enthusiasm along these lines among farmers. For instance, the number of fires caused by threshing operations has been very greatly cut down by the realization on the part of the farmer of the very great risk attached to this operation under certain conditions. Much remains to be done even along these lines, but in the meantime the fire loss continues to take its toll among the barns of the agriculturist.

Deposits of Franklenite Near Bathurst

FREDERICTON, N. B.—Deposits of franklenite north of the iron mines, near Bathurst, are to be extensively tested, and capital is available for their operation on a large scale if the tests prove satisfactory. The percentage of zinc in ore found is said to be so high as to make the profitable operation of the deposits assured.

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$750,000

E. L. Ruddy Company Limited

7% Cumulative Preferred Stock

Par Value $100 per Share

Preferred as to dividends and as to assets to the extent of $105 per share and accrued dividends on liquidation. Dividends payable quarterly on the first days of March, June, September and December. Redeemable at the option of the Company as a whole or in part on any dividend date at $105 per share and accrued dividends, on not less than sixty days' notice.
Transfer Agent: The National Trust Company Limited
Registrar: The Imperial Trusts Company of Canada

EACH CERTIFICATE OF PREFERRED STOCK WILL CARRY A NON-DETACHABLE SUBSCRIPTION WARRANT ENTITLING THE HOLDER THEREOF TO SUBSCRIBE ON OR BEFORE DECEMBER 1st, 1932, FOR COMMON STOCK OF THE COMPANY AT $20.00 A SHARE IN THE RATIO OF ONE SHARE OF COMMON STOCK FOR EACH SHARE OF PREFERRED STOCK REPRESENTED BY SUCH CERTIFICATE.

CAPITALIZATION
(On completion of this transaction)

	Authorized	To be outstanding
7% Cumulative Preference Stock	$1,000,000	$750,000
Common Stock (no par value)	55,000 shares	40,000 shares

This capitalization is subject to a liability of $80,000 in the form of a mortgage upon the Company's property on Spadina Avenue.

Mr. E. L. Ruddy, who will occupy the position of President, has summarized his letter to us as follows:—

THE COMPANY—E. L. Ruddy Company Limited is being incorporated under the Ontario Companies Act to acquire from the Company of the same name all its business, properties, plants and undertakings.

The business of the E. L. Ruddy Company and its predecessors has been in successful operation for more than half a century and is to-day the largest outdoor advertising business in Canada. As official representatives of the Poster Advertising Association of Canada, the Company does a large sub-let business with other poster advertising and painted display advertising plant owners, and through its own plants and affiliations can place outdoor advertising concurrently in 243 cities and towns throughout Canada, reaching a total circulation of approximately 4,180,000.

The Company is engaged in the manufacture of Commercial and Electric Signs of all kinds and enjoys an expanding business in these lines. The territory served comprises the most densely populated portion of Ontario and a large part of the Maritime Provinces. Through ownership of a majority of the stock of the Ruddy-Koester Company Limited, it controls a substantial and growing painted display advertising business in the City of Winnipeg. The display plants owned by the two companies reach a total circulation of approximately 1,350,000 and are located in 45 cities and towns.

PLANTS AND PROPERTIES—A completely equipped plant of modern construction is located upon valuable property on Spadina Avenue, Toronto. An additional brick and concrete building of 324,150 cubic feet is now in process of completion and will provide for the Company's growing requirements for some time to come.

The Company owns and operates advertising structures of the most modern and approved types. The total area of these structures, divided between Poster Panels, Painted Bulletins and Electric Signs, but not including a large number of Painted Wall locations, which involve no structure, is 1,365,064 square feet. The structures and painted walls are all on locations held under lease by the Company.

ASSETS—Fixed assets of the Company, including land, buildings, equipment and advertising structures, have a present value, as certified to by the Sterling Appraisal Company as at November 25th, 1927, of $993,397.95, apart from investments in associated companies carried upon the Company's books at $70,403.76, and franchise rights, value of leases, etc., carried on the Company's books at $200,000. Net current assets, after giving effect to this transaction, as at October 31st, 1927, according to the Balance Sheet certified to by Messrs. Rutherford, Williamson & Company, after deduction of all current liabilities, were $152,061.43.

EARNINGS—Net earnings, after deducting full operating charges, maintenance, depreciation on buildings, equipment, motor trucks, etc., but not deducting Federal Income Taxes, for the three years ended December 31st, 1926, and for the ten months of the current year to October 31st, were:—

1924	$84,757.43	1926	$122,413.53
1925	95,607.68	1927	142,983.84 (ten months)

or average annual earnings at the rate of $118,589.81 available for Income Taxes and dividend requirements, which amount to $52,500 upon this issue of Preferred Stock. After providing for Federal Income Taxes at the prevailing rates, earnings for the current year are at the rate of over $2.00 per share upon the Common Stock.

PREFERRED STOCK PROVISIONS—The holders of the Preferred Shares shall not be entitled to vote at meetings of shareholders except and if Eight (8) quarterly dividends are in arrears; during such time each share shall be entitled to one vote. The Company shall not, without the consent of holders of two-thirds of the Preferred Shares at the time outstanding, create any security ranking equal to or in priority to the authorized issue of $1,000,000 par value of Preferred Shares, except security to its Bankers in the ordinary course of business.

GENERAL—Outdoor Advertising by means of posters, painted bulletins and electric signs is continually growing in favor with advertisers. The business of the Company and its predecessors has, apart from the war years, shown an almost unbroken record of consistent growth. Contracts for 1928, which are nearly as much as the total business for 1927, indicate that earnings for the ensuing year will be substantially in excess of the current year.

This financing involves no change in the management or control of the Company.

The Board of Directors will include the following: E. L. Ruddy President, W. T. Sutton Vice-President, N. L. Nathanson, J. R. Robertson, V. T. Pegg, W. B. Milner.

We offer this Preferred Stock, subject to prior sale, for delivery if, as and when issued and accepted by us and subject to the approval of all legal proceedings by Malone, Malone, Sedgewick & Montgomery on behalf of the Bankers, and McMaster, Montgomery, Fleury & Co. on behalf of the Company.

PRICE: 100 and accrued dividend

It is proposed to make application in due course to list the Preferred and Common Shares on the Toronto Stock Exchange.

HARLEY, MILNER & CO.
Members Toronto Stock Exchange
304 BAY STREET - - - TORONTO
PEOPLES LOAN BLDG. - - LONDON
SECURITY BLDG. - - - WINDSOR

R. A. DALY & CO.
Members Toronto Stock Exchange
BANK OF TORONTO BLDG.
TORONTO

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

This issue having been sold, the advertisement appears as a matter of record only.

FREEDOM FOR Manufacturers from High Taxes, High Labor Rates, High Labor Turnover, Power Problems, Freedom to Expand on Ample Sites, Permits Concentrated Effort on Production.

We have located plant to the value of over $25,000,000 in the last five years under the above ideal conditions.

WE CAN DO IT FOR YOU

SOUTHERN CANADA POWER COMPANY LIMITED
330 Coristine Building— Montreal

A TRUST COMPANY'S BUSINESS

THIS is the age of the specialist, whether it be in the medical or surgical profession; a particular ache or pain in the human organism calls for the specialized skill of a member of either of those faculties.

So with the Lawyer. For a given class of legal work you select one who is particularly apt in it. Some lawyers are skilled in Court practice, others in conveyancing, others again in corporation work, and so on.

It is the Lawyers' business to draw your Will for he often knows your personal affairs, knows how to provide for the peculiarities of your Estate, and knows the laws of descent and their effect upon the distribution of your Estate.

It is our business, highly specialized too, to act as Executor and Trustee of your Will, bringing wide and extensive experience to bear upon its execution.

Consultation invited and without charge.

THE STANDARD TRUSTS COMPANY
346 MAIN STREET, WINNIPEG
Capital Paid Up, $1,000,000. Reserve, $300,000.
Branches: SASKATOON, EDMONTON, LETHBRIDGE, VANCOUVER